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

FORM 10-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2011

or

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

For the transition period from _____ to _____.

Commission File Number: 0-20859

GERON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**75-2287752**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
230 Constitution Drive, Menlo Park, CA	**94025**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: (650) 473-7700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, $0.001 par value	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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

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

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

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was approximately $508,641,000 based upon the closing price of the common stock on June 30, 2011 on the Nasdaq Global Select Market. Shares of common stock held by each officer, director and holder of five percent or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 22, 2012, there were 132,488,871 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Document	Form 10-K Parts
Portions of the Registrant's definitive proxy statement for the 2012 annual meeting of stockholders to be filed pursuant to Regulation 14A within 120 days of the Registrant's fiscal year ended December 31, 2011	III

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Forward-Looking Statements

This annual report on Form 10-K, including "Business" in Part I, Item 1 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7, contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause the results of Geron Corporation (Geron or the Company) to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. In some cases, forward-looking statements can be identified by the use of terminology such as "may," "expects," "plans," "anticipates," "estimates," "potential," or "continue" or the negative thereof or other comparable terminology. The risks and uncertainties referred to above include, without limitation, risks related to our research and development efforts, need for future capital, timely completion of our clinical trials, uncertainty of clinical trial results or regulatory approvals or clearances, manufacturing of our product candidates at scales and costs appropriate for commercialization, enforcement of our patent and proprietary rights, reliance upon our collaborative partners, potential competition and other risks that are described herein and that are otherwise described from time to time in Geron's Securities and Exchange Commission reports including, but not limited to, the factors described in Item 1A, "Risk Factors," of this annual report. Geron assumes no obligation and does not intend to update these forward-looking statements.

PART I

ITEM 1. BUSINESS

Overview

Geron is a biopharmaceutical company developing first-in-class therapies for cancer. We have two lead product candidates in clinical development, imetelstat and GRN1005. Imetelstat, a telomerase inhibitor, is being evaluated in four Phase 2 clinical trials: metastatic breast cancer, advanced non-small cell lung cancer, essential thrombocythemia and multiple myeloma. GRN1005, a novel peptide-drug conjugate that is designed to transport a proven anti-cancer drug, paclitaxel, across the blood brain barrier, is being evaluated in two Phase 2 clinical trials: brain metastases arising from breast cancer and brain metastases arising from non-small cell lung cancer. We have developed imetelstat from inception and own exclusive worldwide commercial rights with U.S. patent coverage extending until at least 2026. We in-licensed GRN1005 on an exclusive, worldwide basis, with U.S. patent coverage extending until at least 2025.

Imetelstat

Imetelstat targets telomerase, an enzyme which is required for the unlimited cell proliferation fundamental to all cancers. Expression and activity of telomerase are increased in bulk tumor cells and cancer progenitor cells in a broad range of cancer types. Our research has shown that imetelstat is a potent and specific inhibitor of telomerase activity. In addition, the effects of imetelstat on tumor cells, including cancer progenitor cells, have been well characterized in numerous preclinical studies.

We are evaluating imetelstat in two randomized, controlled Phase 2 trials in solid tumors, one in metastatic breast cancer and the other in advanced non-small cell lung cancer (NSCLC). Both are diseases in which the prognosis for patients remains poor, and there is evidence that disease progression, relapse and metastasis are driven in part by cancer progenitor cells. We are also evaluating imetelstat in two single-arm Phase 2 trials in hematologic (blood-based) cancers, one in essential thrombocythemia and the other in multiple myeloma, where the effect of the drug on the malignant progenitor cells responsible for the disease can be more directly observed than is the case in solid tumors.

Our metastatic breast cancer and NSCLC trials require that a sufficient number of progression events must occur in order to perform the planned data analyses. We anticipate an accrual of events that will allow us to report top-line results by the end of 2012. We also expect top-line results from our single-arm trials in essential thrombocythemia and multiple myeloma by the end of 2012.

GRN1005

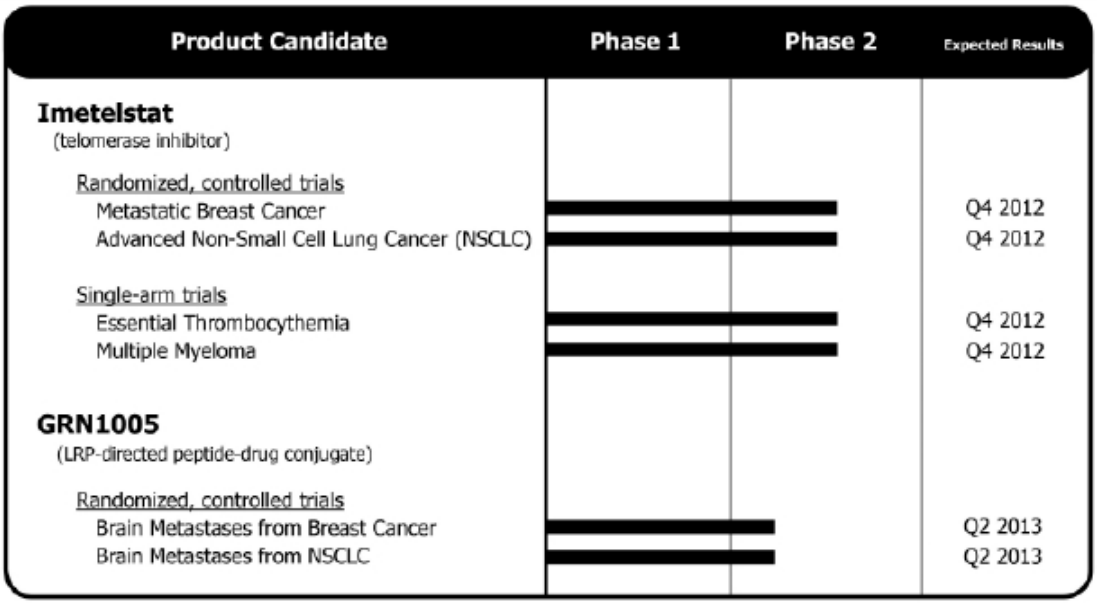
GRN1005 is a peptide-drug conjugate designed to utilize a physiologic molecular transport mechanism known as lipoprotein receptor-related protein-1, or LRP-1, to deliver paclitaxel across the blood-brain barrier and into tumors in the brain. The blood-brain barrier prevents most drugs, including oncology drugs, from reaching the brain at levels that are clinically effective. GRN1005 is designed to overcome this challenge by linking paclitaxel to

a proprietary peptide, Angiopep-2, which is a ligand for LRP-1. This enables GRN1005 to be actively transported across the blood-brain barrier by LRP-1. The LRP-1 transport mechanism also facilitates uptake of the conjugate into tumor cells inside and outside of the brain. The bond linking Angiopep-2 peptide and paclitaxel is cleaved when it is taken up into cells, including tumor cells both inside and outside of the brain, releasing active paclitaxel.

Brain metastases in cancer patients are associated with considerable morbidity and mortality. Current treatments for brain metastases include whole brain radiation therapy (WBRT), stereotactic radiosurgery (SRS), and/or surgical resection, each of which provides limited efficacy and is associated with significant side effects. There is no approved drug therapy for brain metastases.

We are conducting two single-arm Phase 2 trials of GRN1005, one in patients with brain metastases associated with breast cancer and the other in brain metastases associated with non-small cell lung cancer. We selected these indications because in Phase 1 trials clinical activity was observed in patients with these tumor types. We expect to have top-line data from these two Phase 2 trials by the end of the second quarter of 2013.

A summary of our ongoing clinical trials and the expected timing for top-line results from each of the trials is summarized in the table below.



Imetelstat: Telomerase Inhibitor for Treating Solid Tumors and Hematologic Malignancies

Overview

Imetelstat is a potent and specific inhibitor of telomerase currently in clinical development as a therapeutic agent for the treatment of solid tumors and hematologic malignancies. This first-in-class compound is a specially designed and modified oligonucleotide which targets and binds with high affinity directly to the RNA template component of telomerase. The proprietary oligonucleotide chemistry improves binding affinity and stability, and the lipid modification enhances cellular and tissue penetration.

Scientific Rationale

Telomerase as a Molecular Target in Oncology

Telomeres are repeats of a DNA sequence located at the ends of chromosomes. They act as protective caps to maintain stability and integrity of the chromosomes, which contain the cell's genetic material. Telomerase is an enzyme that can rebuild telomeres and prevent them from shortening during cell division. The telomerase enzyme includes a protein component and an RNA template component.

Because of the role of telomerase in extending cancer cell longevity and proliferation, we believe that inhibiting telomerase may be an effective strategy for treating a broad range of malignancies. Elevated expression and activity of telomerase is associated with the limitless cellular replication characteristic of cancer. Telomerase expression has been found to be present in approximately 90% of biopsies from a broad range of human cancers, and its activity is generally found to increase with grade and stage of tumor.

Based on the results of preclinical and clinical studies, it is believed that progression, relapse and metastasis of many cancers are driven by cancer progenitor cells, many of which have been found to express high levels of telomerase and have high levels of telomerase activity. Standard chemotherapy and other conventional agents are effective against bulk tumor cells, but are not as effective against cancer progenitor cells. As a result, after initial responses to standard treatments, tumors may re-grow due to proliferation and differentiation of progenitor cells, causing relapse of the disease. For this reason, cancer progenitor cells have become important targets for novel therapies. Because cancer progenitor cells have increased telomerase activity, they may be susceptible to telomerase inhibition by imetelstat.

Imetelstat: Our Telomerase Inhibitor

Despite the clinical potential of telomerase as a target for developing new cancer treatments, small molecule telomerase inhibitors have not progressed to the clinic due to lack of potency or specificity. Consequently, we utilized a proprietary nucleic acid chemistry platform to develop imetelstat as a short, modified oligonucleotide to be a potent and specific inhibitor of telomerase. Imetelstat binds with high affinity to the RNA template of telomerase, thereby directly inhibiting telomerase activity. It has a proprietary nucleic acid backbone which provides resistance to the effect of cellular nucleases, thus conferring improved stability in plasma and tissues, as well as significantly improved binding affinity to its target. To improve cell permeability, we conjugated the oligonucleotide to a lipid group. Imetelstat is the first telomerase inhibitor to advance to clinical development.

Imetelstat Preclinical Data

The effects of imetelstat on tumor cells, including breast and lung cancers, have been well characterized in numerous preclinical studies conducted by scientists at Geron and academic collaborators. Results of these studies demonstrated that:

- Imetelstat inhibits telomerase activity, leading to the inhibition of cancer cell growth;
- Imetelstat inhibits the growth of a variety of tumor types in cell culture systems and in rodent models of human cancers (xenograft and orthotopic models), impacting the growth of primary tumors and reducing metastases;
- Imetelstat has additive and synergistic anti-tumor effects in a variety of tumor cell culture systems and xenograft models when administered in combination with approved anti-cancer therapies including radiation, conventional chemotherapies and targeted agents; and
- Imetelstat is an effective inhibitor of cancer progenitor cell proliferation in a broad range of tumor types, including breast cancer, lung cancer, myeloma and myeloproliferative neoplasms such as essential thrombocythemia.

Imetelstat Clinical Experience

Phase 1 Clinical Trials

We conducted six Phase 1 trials, treating 183 patients, to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of imetelstat, both alone and in combination with other standard therapies in patients with solid tumors and hematological malignancies. Results from the trials include the following findings:

- Imetelstat was well tolerated with adverse events that were manageable and reversible. The dose-limiting toxicities were thrombocytopenia (reduced platelet count) and neutropenia (reduced white blood cell count);
- Target exposures to imetelstat in patients were achieved at a dose and schedule that had acceptable tolerability, and were consistent with the exposures required for efficacy in mouse models of cancer;
- Inhibition of telomerase activity was observed following administration of imetelstat in various types of tissue in which telomerase activity is measurable, including normal bone marrow hematopoietic cells, malignant plasma cells, hair follicle cells, and peripheral blood mononuclear cells; and
- Clinical responses were observed in combination with cytotoxic chemotherapy in patients with breast cancer. No single agent clinical responses were observed.

Current Clinical Trials

Based on the results seen in preclinical studies and Phase 1 clinical trials, we are currently conducting four Phase 2 clinical trials of imetelstat. For these trials, we have specifically selected cancers where there is evidence that disease progression, relapse and metastasis is driven by cancer progenitor cells. We believe that using imetelstat in combination with or following standard debulking chemotherapy may extend the duration of response and progression-free survival (PFS) in patients by inhibiting the subsequent proliferation of cancer progenitor cells. Based on this rationale and the unmet medical need in both diseases, we are studying imetelstat in two randomized, controlled Phase 2 trials, one in metastatic breast cancer and the other in advanced non-small cell lung cancer (NSCLC). We are also conducting two single-arm Phase 2 trials of imetelstat in hematologic malignancies in order to directly assess the impact of imetelstat on cancer progenitor cells. Our imetelstat Phase 2 program is summarized below:

Indication	Trial Design Summary	Population	Number of Patients	Primary / Other Endpoints
Metastatic Breast Cancer	Open-label, multi-center, randomized; imetelstat plus paclitaxel (+/-bevacizumab) vs. paclitaxel +/- bevacizumab only	Locally recurrent or metastatic disease without prior chemotherapy or after one non-taxane based chemotherapy in the metastatic setting	166 Enrolled	Progression-free survival
Advanced Non-Small Cell Lung Cancer (NSCLC)	Open-label, multi-center, randomized; imetelstat as maintenance therapy plus standard therapy (observation +/- bevacizumab) vs. standard therapy only	Recurrent locally advanced or Stage IV disease (completed first line platinum-based doublet induction therapy +/- bevacizumab)	Approx. 96	Progression-free survival
Essential Thrombocythemia (ET)	Open-label, single-arm, single agent	Disease requiring cytoreduction and have failed/intolerant of prior therapy or refuse standard therapy	Up to 40	Hematologic response rate; mutant JAK2 or MPL allelic burden
Multiple Myeloma	Open-label, single-arm; imetelstat +/- lenalidomide	Detectable but non-progressing disease after prior therapy	Up to 48	Improvement in response; *ex vivo* measures of myeloma progenitor cell proliferation

Our metastatic breast cancer and NSCLC trials require that a sufficient number of progression events must occur in order to perform the planned data analyses. We anticipate an accrual of events that will allow us to report top-line results by the end of 2012. We also expect top-line results from our single-arm trials in essential thrombocythemia and multiple myeloma by the end of 2012.

Imetelstat in Metastatic Breast Cancer

Disease Background

Excluding cancers of the skin, breast cancer is the most frequently diagnosed cancer in women in the United States, with nearly 227,000 new cases of invasive breast cancer expected to occur in 2012. Based on SEER *(Surveillance Epidemiology and End Results*) data, we estimate that roughly 65,000 breast cancer patients will be diagnosed with metastatic disease or progress to first metastases from an earlier stage of disease in 2012. Despite advances in the treatment of breast cancer, 40,000 women are expected to die of the disease in the United States in 2012. For metastatic breast cancer patients in particular, prognosis is poor, and novel approaches and new therapies are needed.

Current treatments for metastatic breast cancer aim to achieve disease control (generally defined as durable tumor response, disease stabilization or improvement in progression-free survival), palliate symptoms and prolong overall survival, while maintaining quality of life. Current standards of care include cytotoxic, hormonal and targeted therapies. The choice of treatment regimens depends on many factors, including the receptor status of the tumor, extent of the metastases, other medical co-morbidities, age, and the toxicities from treatment that are acceptable for an individual patient.

In general, metastatic breast cancer patients whose tumors over-express estrogen (ER-positive) or progesterone (PR-positive) hormone receptors, or human epidermal growth factor receptor-2 (HER2-positive) are candidates for hormonal therapies or HER2-directed therapies, which have led to improvements in survival. However, HER2-negative patients who have failed hormonal therapy or who have triple negative disease (ER-negative, PR-negative, HER2-negative) continue to have poor outcomes on current therapies, and, as a result, represent a significant unmet medical need.

Breast cancer is a disease in which there is evidence that disease progression, relapse and metastasis is driven in part by cancer progenitor cells. Our research has shown that imetelstat is a potent and specific inhibitor of telomerase and that it inhibits the proliferation of breast cancer cells, including breast cancer progenitor cells, both in cell culture systems and in breast cancer xenograft models, suppressing tumor growth and metastases. Imetelstat was also observed to act synergistically with paclitaxel to inhibit breast cancer cell proliferation *in vitro*. We believe that the use of imetelstat in combination with standard debulking chemotherapy, such as paclitaxel, may increase the duration of response and progression-free survival (PFS) in metastatic breast cancer patients.

Imetelstat in HER2-Negative Locally Recurrent or Metastatic Breast Cancer (Trial B014)

We are conducting a Phase 2 clinical trial to evaluate the potential benefit of imetelstat, in combination with paclitaxel, for patients with locally recurrent or metastatic breast cancer. Patients with triple negative disease, and patients with hormone-receptor positive disease who had failed hormonal therapy or had symptomatic visceral metastases, are included in this trial. Eligible patients either have not received chemotherapy previously for metastatic breast cancer (1st line) or have previously received one non-taxane based chemotherapeutic drug for metastatic breast cancer (2nd line). This trial completed patient enrollment in February 2012.

Patients have been randomized on a 1:1 basis to receive imetelstat in addition to paclitaxel (treatment arm) or to receive paclitaxel alone (comparator arm). The protocol allows up to 30% of patients in both arms of the trial to also receive bevacizumab, or Avastin, based on the investigator’s decision and drug availability to the patient. We will stratify the analysis for efficacy based on whether patients were receiving bevacizumab.

Since the trial started, the FDA has revoked the approval for bevacizumab in this patient population in the United States, and as such, we expect that the data for the patients in this trial who are not receiving bevacizumab concurrently (at least 70% of the overall trial) will be more relevant for our analysis. Bevacizumab remains approved for metastatic breast cancer in various jurisdictions around the world, including the EU.

The primary objective of this trial is to obtain an estimate of the PFS in metastatic breast cancer patients receiving imetelstat in addition to paclitaxel and, optionally, bevacizumab. While we have not powered this trial to demonstrate statistical significance of efficacy results, we will focus our analysis on the efficacy trends in the overall patient population as well as in important subgroups, such as 1st line vs. 2nd line and ER negative/PR negative breast cancer, or triple negative. Based on historical results taken from the Eastern Cooperative Oncology Group-sponsored E2100 study of 1st line patients with metastatic breast cancer and the Genentech-sponsored RIBBON 2 study of 2nd line patients with metastatic breast cancer, we estimate that patients on the comparator arm will have a median PFS of approximately seven months. We believe that an improvement in the treatment arm of approximately three months in PFS compared to the comparator arm would be consistent with a meaningful clinical benefit, assuming a representative patient population was enrolled and the safety and tolerability profile is consistent with our Phase 1 data. The trial also has a number of secondary endpoints for efficacy, including objective response rate and clinical benefit rate.

Imetelstat in Advanced Non-Small Cell Lung Cancer (NSCLC)

Disease Background

Lung cancer is the leading cause of cancer-related mortality worldwide. In the United States alone, an estimated 226,000 new cases and an estimated 160,000 deaths due to lung cancer are expected in 2012. Non-small cell lung cancer (NSCLC) accounts for 80-85% of incident lung cancers. Based on SEER data, we estimate that 162,000 NSCLC cancer patients will be diagnosed with metastatic disease or progress to advanced disease from an earlier stage of disease in the United States in 2012. For advanced NSCLC patients in particular, prognosis is poor, and novel approaches and new therapies are needed.

Platinum-based doublet chemotherapy (cisplatin or carboplatin in combination with one of several other agents) is a recognized standard of care for patients with advanced NSCLC. Other cytotoxic agents, such as pemetrexed, are also being used. Bevacizumab may be added to the regimen for patients with non-squamous cell histology. Following chemotherapy, patients who have responded to treatment or have stable disease may be continued on a portion of the initial therapy, known as continuation maintenance therapy, until progression. More recently, the concept of introducing a new agent in the maintenance setting, or switch maintenance, was shown in trials of erlotinib and pemetrexed to be potentially effective in extending survival and PFS in some patients. Despite the availability of these agents, the outcomes for patients with advanced NSCLC remain poor.

NSCLC is a disease in which there is evidence that disease progression, relapse and metastasis is driven in part by cancer progenitor cells. Our research has shown that imetelstat is a potent and specific inhibitor of telomerase and that it inhibits the proliferation of NSCLC cells, including progenitor cells, both in cell culture systems and in xenograft models, suppressing tumor growth and metastases. Imetelstat was also observed to have an additive effect in combination with bevacizumab to inhibit lung cancer growth *in vivo*. We believe that the use of imetelstat as maintenance therapy after standard debulking chemotherapy may increase the duration of response and progression-free survival (PFS) in advanced NSCLC patients.

Imetelstat in Advanced NSCLC (Trial B012)

We are conducting a Phase 2 clinical trial to evaluate the potential benefit of imetelstat as maintenance therapy for patients with advanced NSCLC. Patients who have not progressed after platinum-based induction chemotherapy are eligible for this trial. Patients are randomized on a 2:1 basis to receive either imetelstat in addition to standard of care (treatment arm) or standard of care alone (comparator arm). The standard of care in this trial is observation or observation with bevacizumab. Patients who previously received bevacizumab with their induction chemotherapy will continue to receive bevacizumab in this trial.

The primary objective of this trial is to obtain an estimate of PFS in NSCLC patients receiving imetelstat as maintenance therapy. While we have not powered this trial to demonstrate statistical significance of efficacy results, we will focus our analysis on the efficacy trends in the overall patient population as well as in important subgroups, such as imetelstat monotherapy vs. combination with bevacizumab and adenocarcinoma vs. squamous histology. Based on historical results from other trials, we estimate that patients on the comparator arm will have a median PFS of approximately three and one-half months. We believe that an improvement of approximately two months in PFS in the treatment arm compared to the comparator arm would be consistent with a meaningful clinical benefit, assuming a representative patient population was enrolled and the safety and tolerability profile is consistent with our Phase 1 data. The trial also has a number of secondary endpoints for efficacy including objective response rate.

Imetelstat in Essential Thrombocythemia (ET)

Disease Background

Essential thrombocythemia (ET, also known as essential thrombocytosis) is representative of a group of diseases known as myeloproliferative neoplasms (MPNs), which also includes primary polycythemia and myelofibrosis. ET is a chronic blood disorder characterized by increased numbers of platelets in the blood. These platelets may have abnormal function, which can lead to an increased risk of thrombotic or hemorrhagic complications. Patients with ET may also develop myelofibrosis or acute myeloid leukemia.

In the United States, we estimate there will be 8,000 new cases of MPNs in 2012, of which approximately 25%, or 2,000, will be ET.

ET is driven by malignant hematopoietic progenitor cells in the bone marrow. Some currently used treatments, such as hydroxyurea and anagrelide, can be effective in reducing platelet counts in patients with ET by causing nonspecific suppression of the bone marrow, but they do not specifically target the malignant bone marrow progenitor cells. Another therapy, interferon-alpha, may have a selective effect on the malignant cells; however, its utility is limited by tolerability concerns. Clinical resistance to or intolerance of these treatments may occur in a substantial proportion of patients.

Ex vivo studies have shown that imetelstat can inhibit growth of malignant platelet progenitor cells (megakaryocytes) from patients with ET. As a consequence, we believe that imetelstat has the potential to impact the malignant progenitor cells in the bone marrow that produce the high platelet counts in patients with ET. In addition, significant decreases in platelet counts were observed in Phase 1 trials of imetelstat. Thus, we believe that imetelstat may be able to reduce the high platelet counts that accompany ET.

Approximately 50% of patients with ET have mutations in the genes for Janus kinase 2 (JAK2) or, less frequently, myeloproliferative leukemia (MPL). These mutations can serve as specific markers of the malignant cells. By measuring the relative proportion of mutant compared to normal versions of these genes in blood cells, we believe we can directly assess the specific impact of imetelstat on the malignant cells in these patients.

Imetelstat in Essential Thrombocythemia (Trial B015)

We are conducting an open-label, single-arm Phase 2 clinical trial designed to evaluate the activity of imetelstat in patients with ET. This study is enrolling patients who have failed or are intolerant to at least one prior therapy, or who have chosen not to receive standard therapy.

The primary endpoints in the trial are hematologic response (as measured by a reduction in platelets), and in patients with JAK2 or MPL gene mutations, molecular response (as measured by a reduction in mutant JAK2 or MPL allelic burden). The study will be considered successful if greater than 60% of patients show a hematologic response, and at least 35% of patients with JAK2 or MPL gene mutations show a molecular response.

The study will also measure the duration of any responses observed. In patients who have a mutation in the JAK2 or MPL genes, we will collect data to evaluate the rate of molecular response.

While we may choose to enroll as many as 40 patients in this trial (including up to 20 with JAK2 or MPL gene mutations), we may enroll fewer based on early results, either positive or negative. Encouraging results from this trial may enable us to expand the imetelstat program into other myeloproliferative diseases such as primary polycythemia and myelofibrosis.

Imetelstat in Multiple Myeloma

Disease Background

Multiple myeloma arises from malignant hematopoietic progenitor cells in the bone marrow. Despite improvements in the standard of care, the majority of multiple myeloma patients relapse after initial therapy, eventually become refractory to all therapies and die from the disease. In the United States, an estimated 22,000 new cases and an estimated 11,000 deaths due to multiple myeloma are expected in 2012.

Cancer progenitor cells are thought to drive progression and relapse in multiple myeloma, and imetelstat has been shown in preclinical research to inhibit proliferation of those cancer progenitor cells. Since we can sample the bone marrow of patients with this disease before and during treatment with imetelstat, we may be able to determine whether imetelstat is specifically inhibiting proliferation of the multiple myeloma progenitor cells. If this is the case, it could provide compelling clinical evidence that imetelstat directly inhibits the proliferation of cancer progenitor cells, thus confirming this important mechanism of action.

Imetelstat in Multiple Myeloma (Trial B013)

We are conducting an open label, single-arm Phase 2 clinical trial designed to evaluate the effect of imetelstat in patients with multiple myeloma who have non-progressing but residual disease after initial cytoreductive therapy. This patient population has a high risk of relapse, yet should be able to be dosed for a sufficient period of time to evaluate the effect of imetelstat treatment. Imetelstat is being administered alone or in combination with lenalidomide in a maintenance setting.

The important endpoint in this study is to measure the change in the growth of myeloma progenitor cell populations taken from the patients' bone marrow over time. *Ex vivo* measurements of myeloma progenitor cell proliferation, obtained by bone marrow aspiration before and after imetelstat treatment, will measure the direct effects of imetelstat on these cancer progenitor cells. Other endpoints include PFS and improvement in response.

While we may choose to enroll as many as 48 patients in this trial, we may enroll fewer based on early results, either positive or negative.

GRN1005: LRP-Directed Peptide-Drug Conjugate for Treating Patients with Brain Metastases

Overview

GRN1005 is a peptide-drug conjugate designed to deliver a proven anti-cancer drug (paclitaxel) to the brain to treat brain metastases. Brain metastases are associated with considerable morbidity and mortality, and there are currently no approved drug therapies. Brain cancers are very difficult to treat because the blood-brain barrier (BBB) prevents most drugs, including oncology drugs such as paclitaxel, from reaching the brain at levels that are clinically therapeutic. Enabling transport across the BBB and into tumors is critical for developing effective treatments for cancer in the brain.

GRN1005 was designed to overcome this challenge by conjugating three molecules of paclitaxel to a proprietary peptide, AngioPep-2. This peptide binds to lipoprotein receptor-related protein-1, or LRP-1, a physiologic transporter of large molecules across the BBB. This enables GRN1005 to be actively transported across the BBB by LRP-1. The LRP-1 transport mechanism also facilitates uptake of the conjugate into tumor cells inside and outside the brain.

We licensed GRN1005 from Angiochem, Inc. in December 2010. Our exclusive worldwide license provides us access to Angiochem's proprietary peptide technology that facilitates the transport of anti-cancer compounds across the BBB to enable the treatment of primary brain cancers and cancers that have metastasized to the brain. The license agreement covers Angiochem's proprietary receptor-targeting peptides conjugated to tubulin disassembly inhibitors, which include, but are not limited to, taxanes and epothilones and their derivatives.

Scientific Rationale

The BBB has two major functions: to protect the brain and regulate brain homeostasis. The brain is protected by tight junctions between the endothelial cells of the capillaries in the brain. As a consequence, most small molecules, proteins and peptides do not cross the BBB. However, the brain needs many molecules for survival, including insulin and low-density lipoprotein. Certain receptors present on the BBB actively transport these molecules from the blood into the brain.

The LRP-1 receptor is one of the most highly expressed receptors in the BBB and naturally transports numerous proteins to the brain. By linking an LRP-1 peptide binding moiety to therapeutic agents, such as paclitaxel, the receptor can be targeted to exploit this native mechanism for crossing the BBB to deliver therapeutic agents into the brain.

LRP-1 is also upregulated in many tumors; thus entry into tumor cells may also occur via LRP-1. As a result, GRN1005 may enter tumors in the brain and outside the brain using the same receptor-mediated pathway, making it an attractive strategy for treating brain metastases as well as the primary tumors that cause them.

Disease Background

The incidence of metastatic cancer in the brain is increasing. This may be due to a number of factors, including improved central nervous system screening and imaging. It may also relate to the improvement in therapies to treat disease outside of the brain, resulting in prolonged survival and increased risk of brain metastases. Lung cancer is the most common cause of brain metastases, followed by breast cancer.

Brain metastases are associated with considerable morbidity and mortality, and there are no approved drug therapies. Current treatments for brain metastases include whole brain radiation therapy (WBRT), stereotactic radiosurgery (SRS), and/or surgical resection.

GRN1005 Clinical Experience

Phase 1 Clinical Trials

GRN1005 has been evaluated in two separate Phase 1 trials conducted by Angiochem. These were multi-center, open-label, dose escalation clinical trials to identify the maximum tolerated dose and obtain data on safety, tolerability and preliminary evidence of efficacy in patients with heavily pre-treated advanced solid tumors with brain metastases and in patients with recurrent malignant glioma.

In these trials, GRN1005 demonstrated evidence of single agent activity against brain metastases arising from a variety of epithelial malignancies, including NSCLC and breast cancer. In that Phase 1 clinical trial, the overall response rate in patients who received the maximum tolerated dose of GRN1005 was 20% (5/20). Furthermore, 24% (4/17) of patients with brain metastases had >30% shrinkage in brain lesions and 50% (5/10) of patients with lung lesions had >30% shrinkage in those lesions. Shrinkage of tumors was observed in patients previously treated with a taxane and indicated that GRN1005 has the potential to be effective against paclitaxel resistant tumors. In addition to metastases in the brain, responses were also observed in lesions in the lung, liver and lymph nodes, suggesting that GRN1005 has activity both inside and outside the brain.

In a sub-study of patients with malignant glioma, concentrations of GRN1005, well above those required for cytotoxicity, were detected in brain tumor samples taken from patients who had received a single dose of the drug prior to undergoing debulking surgery, indicating that the drug successfully crossed the BBB and entered the tumor.

Toxicity of GRN1005 in these Phase 1 trials was similar to that observed in other trials of paclitaxel alone, with dose-limiting toxicity due to neutropenia, which was manageable. No central nervous system toxicity was observed in patients as assessed by neurocognitive testing.

Current Clinical Trials

Based on the results of preclinical studies and Phase 1 clinical trials, we are now conducting two Phase 2 clinical trials of GRN1005. Our Phase 2 program is summarized below:

Indication	Trial Design Summary	Population	Number of Patients	Primary Endpoint
Brain Metastases from Breast Cancer (GRABM-B)	Open label, single arm, single agent or in combination with trastuzumab	Patients with metastatic breast cancer who may or may not have had whole brain radiation therapy	50 HER2-positive 50 HER2-negative	Intra-cranial response rate
Brain Metastases from Non-Small Cell Lung Cancer (NSCLC) (GRABM-L)	Open label, single-arm, single agent	Patients with metastatic NSCLC who may or may not have had whole brain radiation therapy	50	Overall response rate

GRN1005 in Brain Metastases from Breast Cancer (GRABM-B)

We are conducting a single-arm, open-label Phase 2 clinical trial to evaluate the potential benefit of GRN1005 in patients whose breast cancer has metastasized to the brain.

The study consists of two cohorts: patients with HER2-negative disease (including hormone receptor positive and triple negative), and patients with HER2-positive disease. The HER2-negative and HER2-positive patients will be assessed as separate cohorts because the natural history, treatment and outcomes for patients with brain metastases from these subtypes of breast cancer differ.

The standard of care for HER2-positive breast cancer outside of the brain is trastuzumab, or Herceptin, and patients with brain metastases have better overall outcomes when this drug is administered due to extra-cranial disease control. As a result, for patients with brain metastases from HER2-positive disease, GRN1005 will be assessed in combination with trastuzumab. GRN1005 will be evaluated as a single agent in patients with brain metastases from HER2-negative metastatic breast cancer.

Patients are allowed to enroll in this study whether or not they have received prior whole brain radiation therapy, or WBRT. Some patients and their physicians may decide to defer WBRT until disease progression for a variety of reasons, including the possibility of associated neurotoxicity.

The primary endpoint of this trial is intra-cranial response rate. We are specifically assessing the intra-cranial activity of GRN1005 in this trial because therapies used to control extra-cranial disease have minimal efficacy against metastases inside the brain. We believe that an intra-cranial response rate significantly higher than the historical control, which is approximately 5% in metastatic breast cancer patients progressing after prior cranial radiation, would be considered clinically meaningful in this patient population. In addition, secondary endpoints include duration of intra-cranial response, three-month intra-cranial PFS, duration of intra-cranial PFS and six-month overall survival.

GRN1005 in Brain Metastases from NSCLC (GRABM-L)

We are conducting a single-arm, open-label Phase 2 clinical trial to evaluate the potential benefit of GRN1005 in patients whose non-small cell lung cancer (NSCLC) has metastasized to the brain. Patients are allowed to enroll in this study whether or not they have received prior WBRT. Some patients and their physicians may decide to defer WBRT until disease progression for a variety of reasons, including the possibility of associated neurotoxicity.

In patients with advanced NSCLC, disease both inside and outside the brain is usually poorly controlled. In the Phase 1 clinical trial of GRN1005, shrinkage of lung cancer lesions was observed both inside and outside the brain. As such, in our Phase 2 trial, we are assessing the activity of GRN1005 both inside and outside the brain.

The primary endpoint of this trial is overall response rates in both intra-cranial and extra-cranial disease. In contrast to many types of metastatic breast cancer, advanced NSCLC often progresses both inside the brain and outside the brain at the same time; therefore we are measuring response rates in both areas. We believe that an overall response rate significantly higher than the historical control, which is approximately 8% in NSCLC patients receiving salvage therapy, would be considered clinically meaningful in this patient population. In addition, secondary endpoints include the duration of PFS, six-month overall survival and the duration of overall objective response.

Discovery Research Programs

We have developed a deep expertise in the science of telomerase and telomerase inhibition, as well as nucleic acid chemistry. We are engaged in continued research to generate new drug candidates for clinical development leveraging our knowledge and technology. Our discovery research includes:

- Using our proprietary nucleic acid platform to develop drug candidates against new targets.
- Finding additional modalities to target telomerase and telomere function.
- Investigating the use of peptides to transport telomere-targeted agents into the brain.
- Activating telomerase in cells to restore functional capacity.

Telomerase Activation

Accelerated telomere loss or dysfunction of telomerase may play a role in many degenerative diseases. Controlled activation of telomerase may restore the regenerative and functional capacity of cells in various organ systems impacted by senescence, injury or chronic disease. Studies using cell-based and animal model systems have demonstrated the potential utility of small molecule telomerase activators in a range of human diseases associated with cellular senescence, fibrotic disorders and telomerase deficiency.

Data were obtained in one study using a rodent model of idiopathic pulmonary fibrosis (IPF), a chronic, progressive disease of the lung characterized by inflammation and fibrosis. Administration of GRN510, our lead small molecule telomerase activator, resulted in an increase in telomerase activity in lung tissue samples. In these preliminary studies, reductions in inflammatory cells in the lungs and improvements in lung compliance, or elasticity, were also observed.

Further studies are underway to determine the suitability of GRN510 as an investigational development candidate. If GRN510 advances to become an IND candidate for IPF or other non-oncology indications, we may seek a partner for further development.

Divestiture of Human Embryonic Stem Cell Programs

In November 2011, we announced that we will exclusively focus on our oncology programs and consequently, we discontinued development of our stem cell programs. We continue to accrue data on the patients already enrolled in the Phase 1 trial of GRNOPC1 for spinal cord injury. We intend to divest our stem cell programs in 2012, which include GRNOPC1 for spinal cord injury, currently in a Phase 1 clinical trial, as well as programs in cardiomyocytes for heart disease, pancreatic islet cells for diabetes, dendritic cells as an immunotherapy vehicle and chondrocytes for cartilage repair.

Research and Development

For information regarding research and development expenses incurred during 2011, 2010 and 2009, see Item 7, “Management Discussion and Analysis of Financial Condition and Results of Operations—Research and Development Expense”.

Intellectual Property

Intellectual property, including patent protection, is very important to our business. We file patent applications in the United States and other jurisdictions, and we also rely on trade secret protection and contractual arrangements to protect aspects of our business. An enforceable patent with appropriate claim coverage can provide an advantage over competitors who may seek to employ similar approaches to develop therapeutics, and so our future commercial success will be in part dependent on our intellectual property strategy. The information provided in this section should be reviewed in the context of the section entitled “Risks Related to Protecting Our Intellectual Property” that begins on page 28.

The development of biotechnology products, including ours, typically includes the early development of a technology, followed by rounds of increasingly focused innovation around a product opportunity, including identification and definition of a specific product candidate, manufacturing processes, product formulation and administration methods. The result of this process is that biotechnology products are often protected by several families of patent filings that are filed at different times during product development and cover different aspects of the product. Consequently, earlier filed, broad technology patents will usually expire ahead of patents covering later developments such as product formulations, so that patent expirations on a product may span several years. Patent coverage may also vary from country to country based on the scope of available patent protection. There are also opportunities to obtain extension of patent coverage for a product in certain countries, which add further complexity to the determination of patent life.

Oncology

The following table shows the estimated expiration dates for later filed composition of matter patents or patent applications for our two oncology drug product candidates. Because these product candidates are still under development, subsequent innovation and associated patent filings may provide additional patent coverage with later expiration dates. Examination of overseas patent applications typically lags behind U.S. examination particularly where cases are filed first in the United States. The stated expiration dates also do not account for potential patent extensions that may be available.

Product Candidate	**U.S. Patent Status / Expiration Date**	**Europe Patent Status / Expiration Date**	**Japan Patent Status / Expiration Date**
Imetelstat	Issued / 2026	Issued / 2020*	Issued / 2024
GRN1005	Issued / 2025	Pending / 2026	Pending / 2026

* An additional composition of matter patent application has been filed and, if issued, will provide European patent protection until 2024.

Our patent rights for imetelstat include those covering the nucleic acid sequence of hTR, the RNA component of telomerase, against which the oligonucleotide component of imetelstat is targeted, and the amidate nucleic acid chemistry used in that oligonucleotide, as well as manufacturing processes for the drug and composition claims to the drug molecule. These patents and patent applications are wholly owned by Geron. The expiration dates on these patent families currently range from 2014 to 2026.

We hold a worldwide, exclusive license to GRN1005 from Angiochem, Inc., under which we have rights to an issued U.S. patent providing coverage for GRN1005 until 2025. In addition, the license includes patent applications in the United States and other countries covering proprietary peptides facilitating transport of therapeutic payloads across the BBB as well as patent claims to specific therapeutic compounds that employ these peptides, including GRN1005.

Our oncology research programs make use of our assets and expertise in areas including telomerase biology and nucleic acid chemistry. Our patent rights relating to telomerase, in addition to imetelstat, cover the cloned genes that encode the RNA component (hTR) and the catalytic protein component (hTERT) of human telomerase, cells that are immortalized by expression of recombinant hTERT, and cancer diagnostics based on detecting the expression of telomerase in cancer cells. Certain of these patents are in-licensed or co-owned with other entities including the Universities of Colorado, California and Texas Southwestern Medical Center. Our proprietary nucleic acid chemistry is covered by patent families that we acquired in 2002 from Lynx Therapeutics, Inc., as well as in patents that we filed for further developments of this chemistry.

Human Embryonic Stem Cells

Geron played a leading role in the development of human embryonic stem cell (hESC) technologies for more than a decade, ranging from funding the original isolation of the cells in the laboratory of Dr. James Thomson to the initiation of the first FDA-approved Phase 1 clinical trial of a hESC-derived cell therapy. Over that time, Geron scientists and collaborators developed technologies for differentiating and manufacturing hESCs and we sought to protect these developments through patent filings. As of December 31, 2011, our hESC patent portfolio includes 51 issued or allowed United States patents, 147 granted or accepted foreign patents and 245 patent applications pending worldwide. In addition to Geron-owned patents, the portfolio includes patents licensed to us (exclusively and non-exclusively, varying by field of use) from the Wisconsin Alumni Research Foundation (WARF); and patent families exclusively licensed to us by the University of California, the University of Oxford, the University of Edinburgh, and the Robarts Research Institute of the University of Western Ontario. By way of example, our hESC portfolio includes patents and patent applications covering technologies that we believe may facilitate the commercial-scale production of hESCs, such as methods for growing the cells without the need for cell feeder layers, and novel synthetic growth surfaces that were developed in a collaboration between Geron and Corning Life Sciences. We also own or have licensed patent rights covering cell types that can be made from hESCs, including hepatocytes (liver cells), cardiomyocytes (heart muscle cells), neural cells (nerve cells, including dopaminergic neurons and oligodendrocytes), chondrocytes (cartilage cells), pancreatic islet ß cells, osteoblasts (bone cells), hematopoietic cells (blood-forming cells) and dendritic cells.

In November 2011, we announced that we intend to divest our stem cell programs.

Proceedings

We endeavor to monitor worldwide patent filings by third parties that are relevant to our business. Based on this monitoring, we may determine that an action is appropriate to protect our business interests. Such actions may include negotiating patent licenses where appropriate, filing oppositions or reexaminations against a patent, or filing a request for the declaration of an interference with a U.S. patent application or issued patent. In 2009, as part of our stem cell related business activities, we initiated a patent interference proceeding involving patent rights relating to the production of endoderm cells from hESCs, and that proceeding, and a second related interference, are currently ongoing. We are currently also involved in patent opposition proceedings before the European Patent Office and the Australian Patent Office both as the party holding the opposed patent, and in opposition to patents granted or proposed to be granted to another entity.

Intellectual Property Licensing

We have granted licenses to a number of other organizations to utilize aspects of our technologies to develop and commercialize products outside of our oncology programs. These include:

- A worldwide exclusive license to ViaGen, Inc. under our patent rights for nuclear transfer technology for use in non-human applications. ViaGen provides animal cloning services in North America across a number of species for both agricultural and biomedical uses, and serves other parts of the world through partnerships and sublicenses. Geron holds a 40% equity position in ViaGen;
- Licenses to several biotechnology and pharmaceutical companies to use telomerase-immortalized cells in drug discovery research;
- Licenses to several companies to commercialize telomerase-immortalized cells for drug discovery applications;
- Licenses to several companies to sell antibodies specific to telomerase for research purposes;
- Licenses to several companies to develop and commercialize reagent kits, or to provide services, for the measurement of telomere length or telomerase activity for research purposes;
- A license to Sienna Cancer Diagnostics to develop and commercialize a particular telomerase-based technology for cancer detection;
- A license to a company for the development of cancer immunotherapies for veterinary applications;
- A worldwide, exclusive license to GE Healthcare to develop and commercialize hESC-derived cells to serve the drug discovery and toxicity testing market;
- A license to Corning Life Sciences to develop and market synthetic surfaces to support the growth of hESCs;
- Licenses to several companies to develop and commercialize reagents useful for hESC culture, such as growth media; and
- An exclusive license to Asia Biotechnology Corporation (d/b/a TA Sciences) to commercialize telomerase activators for nutraceutical and cosmetic applications.

Competition

The pharmaceutical and biotechnology industries are intensely competitive. Other pharmaceutical and biotechnology companies and research organizations currently engage in or have in the past engaged in efforts related to the biological mechanisms that are the focus of our programs in oncology, including the study of telomeres, telomerase and receptor-targeting peptides crossing the BBB.

We believe that the quality and breadth of our technology platforms, the skills of our employees and our ability to recruit and retain skilled employees, our patent portfolio and our capabilities for research and development are competitive strengths. However, many large pharmaceutical and biotechnology companies have significantly larger intellectual property estates than we do, more substantial capital resources than we have, and greater capabilities and experience than we do in preclinical and clinical development, sales, marketing, manufacturing and regulatory affairs.

Many companies are developing alternative therapies to treat cancer and, in this regard, are competitors of ours. There are more than 200 approved anti-cancer products on the market in the United States, and several thousand in clinical development. Many of the pharmaceutical companies developing and marketing these competing products (e.g., GlaxoSmithKline, Bristol-Myers Squibb Company and Novartis AG) have significantly greater financial resources and expertise than we do in research and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and marketing, sales and distribution.

Smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Academic institutions, government agencies and other public and private research organizations may also conduct research, seek patent protection and establish collaborative

arrangements for research, clinical development and marketing of products similar to ours. These companies and institutions compete with us in recruiting and retaining qualified scientific and management personnel as well as in acquiring technologies complementary to our programs.

We believe that our ability to successfully compete will depend on, among other things:

- efficacy, safety and reliability of our product candidates;
- timing and scope of regulatory approvals and clearances;
- the speed at which we develop product candidates;
- our ability to complete preclinical testing and clinical development and obtaining regulatory approvals and clearances for product candidates;
- our ability to manufacture and sell commercial quantities of a product to the market;
- the availability of reimbursement for product use in approved indications;
- product acceptance by physicians and other health care providers;
- quality and breadth of our technology;
- skills of our employees and our ability to recruit and retain skilled employees;
- protection of our intellectual property; and
- availability of substantial capital resources to fund development and commercialization activities.

Any products that we may develop or discover are likely to be in highly competitive markets. We are aware of products in research or development by our competitors that address the diseases we are targeting, and any of these products may compete with our product candidates. Our competitors may succeed in developing their products before we do, obtaining approvals from the FDA or other regulatory agencies for their products more rapidly than we do, or developing products that are more effective than our product candidates. These products or technologies might render our technology obsolete or noncompetitive. There may also be product candidates of which we are not aware at an earlier stage of development that may compete with our product candidates.

In addition, any product candidate that we successfully develop may need to compete or combine with existing therapies, many with long histories of use. Approved and established therapies in metastatic breast cancer include gemcitabine, paclitaxel, ixabepilone and capecitabine. Approved and established therapies in metastatic NSCLC include bevacizumab, crizotinib, erlotinib and pemetrexed. Approved and established therapies in essential thrombocythemia include hydroxyurea, anagrelide and interferon alfa-2B. Approved and established therapies in multiple myeloma include bortezomib, lenalidomide and thalidomide. Imetelstat may compete or combine with these or other therapies.

Whole brain radiation therapy (WBRT) and stereotactic radiosurgery (SRS) are standards of care for brain metastases. GRN1005 may compete or combine with these or other therapies.

Government Regulation

Regulation by governmental authorities in the United States and other countries is a significant factor in the development, manufacture and marketing of our proposed products and in our ongoing research and product development activities. The nature and extent to which such regulation applies to us will vary depending on the nature of any products which may be developed by us. We anticipate that many, if not all, of our proposed products will require regulatory approval by governmental agencies prior to commercialization. In particular, human therapeutic products are subject to rigorous preclinical and clinical testing and other approval procedures of the FDA and similar regulatory authorities in European and other countries. Various governmental statutes and regulations also govern or influence testing, manufacturing, safety, labeling, storage and recordkeeping related to such products and their marketing. The process of obtaining these approvals and the subsequent compliance with appropriate statutes and regulations require the expenditure of substantial time and money, and there can be no guarantee that approvals will be granted.

United States Food and Drug Administration (FDA) Approval Process

Prior to commencement of clinical trials involving humans, preclinical testing of new pharmaceutical products is generally conducted on animals in the laboratory to evaluate the potential efficacy and safety of the product candidate. The results of these studies are submitted to the FDA as part of an IND application, which must be cleared by the FDA before clinical testing in humans can begin. Typically, clinical evaluation involves a time-consuming and costly three-phase trial process. In Phase 1, clinical trials are conducted with a small number of healthy volunteers or patients afflicted with a specific disease to assess safety and to evaluate the pattern of drug distribution and metabolism within the body. In Phase 2, clinical trials are conducted with groups of patients afflicted with a specific disease in order to determine preliminary efficacy, optimal dosages and expanded evidence of safety. The Phase 2 trials can be conducted comparing the investigational treatment to a comparator arm, or not. If used, a comparator usually includes standard of care therapy. Safety and efficacy data from Phase 2 clinical trials, even if favorable, may not provide sufficient rationale for proceeding to a Phase 3 clinical trial. In Phase 3, large-scale, multi-center, comparative trials are conducted with patients afflicted with a target disease to provide sufficient data to demonstrate the efficacy and safety required by the FDA. The FDA closely monitors the progress of each of the three phases of clinical testing and may, at its discretion, re-evaluate, alter, suspend, or terminate the trials.

The results of the preclinical and clinical testing of small molecules or on non-biologic drugs are submitted to the FDA in the form of a New Drug Application (NDA) for review and for approval prior to commencement of commercial sales. In the case of large molecules, vaccines or gene and cell therapies, the results of clinical trials are submitted to the FDA as a Biologics License Application (BLA). In responding to an NDA/ BLA submission, the FDA may grant marketing authorization, may request additional information, may deny the application if it determines that the application does not provide an adequate basis for approval, and may also refuse to review an application that has been submitted if it determines that the application does not provide an adequate basis for filing and review.

European and Other Regulatory Approval Process

Prior to initiating clinical trials in a region outside of the United States, a clinical trial application will need to be submitted and reviewed by the appropriate regulatory authority regulating the country in which the trial will be conducted. Whether or not FDA clearance or approval has been obtained, approval of a product by comparable regulatory authorities in Europe and other countries will be necessary prior to commencement of marketing the product in such countries. The regulatory authorities in each country may impose their own requirements and may refuse to grant an approval, or may require additional data before granting it, even though the relevant product has been cleared or approved by the FDA or another authority. As with the FDA, the regulatory authorities in the European Union (EU) and other developed countries have lengthy approval processes for pharmaceutical products. The process for gaining approval in particular countries varies, but generally follows a similar sequence to that described for FDA approval. In Europe, the European Medicine Agency (EMA) and the European Committee for Proprietary Medicinal Products (CPMP) provide a mechanism for EU-member states to exchange information on all aspects of product licensing. The EU has established a European Medicine Agency for the evaluation of medical products, with both a centralized procedure with which the marketing authorization is recognized in all EU member states and a decentralized procedure, the latter being based on the principle of licensing within one member country followed by mutual recognition by the other member countries.

Other Regulations

We are also subject to various and often changing federal, state, local and international laws, rules, regulations, guidelines and recommendations relating to safe working conditions, laboratory and manufacturing practices and the use and disposal of hazardous or potentially hazardous substances, including radioactive compounds and infectious disease agents.

Manufacturing

A typical sequence of steps in the manufacture of imetelstat and GRN1005 drug products includes the following key components:

- starting materials, which are well defined materials that are incorporated as significant structural fragments into the structure of a bulk drug substance;
- bulk drug substance, which is the active ingredient in a drug product that provides pharmacological activity or other direct effect in the treatment of disease; and
- final drug product, which is the finished dosage form that contains the drug substance, often in association with other active or inactive ingredients, that is shipped to the clinic for patient treatment.

The final drug products we use in clinical trials are produced by outside contractors. We have no long-term commitments or supply agreements with any of our imetelstat or GRN1005 suppliers. If we are able to achieve regulatory approval in the United States or other countries to market and sell our products, we intend to continue to rely on outside contractors for the production of necessary supplies. We are not planning to establish our own manufacturing capabilities.

Imetelstat

We currently employ a dual-supplier strategy for production of starting materials used in the manufacture of imetelstat, as well as for production of imetelstat bulk drug substance and final drug product. These manufacturers currently provide our clinical supply requirements on a proposal-by-proposal basis under master supply agreements.

We currently have a master service agreement with a single contractor for labeling and packaging of imetelstat final drug product and for distribution of imetelstat to clinical sites in North America. In addition, we have a single contractor for Qualified Person release and distribution of imetelstat drug product to clinical sites in Europe. These contractors provide services on a proposal-by-proposal basis.

We have also entered into quality agreements with our imetelstat bulk drug substance and final drug product manufacturers, and our labeling, packaging and distribution service providers. The master and quality agreements are designed to ensure product quality, compliance with cGMP, and oversight over all critical aspects of imetelstat production, testing, release, labeling and packaging, storage and distribution.

GRN1005

We currently have only a single supplier of GRN1005 bulk drug substance. We employ a dual-supplier strategy for production of the paclitaxel and Angiopep-2 peptide used in the manufacture of GRN1005 as well as for the production of GRN1005 final drug product. Our manufacturers provide our clinical supply requirements on a proposal-by-proposal basis under master supply agreements.

We currently have an agreement with only one contractor for distribution of GRN1005 and imetelstat drug product to clinical sites in North America. This contractor provides distribution services under a master services agreement on a proposal-by-proposal basis.

We have also entered into quality agreements with our primary GRN1005 bulk drug substance and final drug product manufacturers. The master and quality agreements are designed to ensure product quality, compliance with cGMP, and oversight over all critical aspects of GRN1005 production, testing, release, labeling and packaging, storage and distribution.

Scientific Consultants

We have consulting agreements with a number of leading academic scientists and clinicians. These individuals serve as key consultants, expert witnesses, or as members of “clinical focus group panels” with respect to our product development programs and strategies or in legal proceedings. We use consultants to provide us with expert advice and consultation on our scientific and clinical programs and strategies, as well as on the ethical aspects of our work. They also serve as important contacts for us throughout the broader scientific community. They are distinguished scientists and clinicians with expertise in numerous scientific and medical fields, including telomere and telomerase biology, developmental biology, cellular biology, molecular biology and oncology.

We retain each consultant according to the terms of a consulting agreement. Under such agreements, we pay them a consulting fee and reimburse them for out-of-pocket expenses incurred in performing their services for us. In addition, some consultants hold options to purchase our common stock and restricted stock awards, subject to the vesting requirements contained in the consulting agreements. Our consultants may be employed by other entities and therefore may have commitments to their employer, or may have other consulting or advisory agreements that may limit their availability to us.

Executive Officers of the Company

The following table sets forth certain information with respect to our current executive officers:

Name	Age	Position
John A. Scarlett, M.D.	61	President and Chief Executive Officer
Graham K. Cooper	42	Executive Vice President, Finance and Business Development, and Chief Financial Officer
Stephen M. Kelsey, M.D., F.R.C.P., F.R.C.Path.	51	Executive Vice President, Head of R&D, and Chief Medical Officer
Stephen N. Rosenfield, J.D.	62	Executive Vice President, General Counsel and Corporate Secretary
David J. Earp, J.D., Ph.D.	47	Senior Vice President, Corporate Transactions, and Chief Legal Officer
Melissa A. Kelly Behrs	48	Senior Vice President, Strategic Portfolio Management and Product Development and Manufacturing
Melanie I. Nallicheri	43	Senior Vice President, Corporate Development
Olivia K. Bloom	43	Vice President, Chief Accounting Officer, and Treasurer

John A. Scarlett, M.D., has served as our Chief Executive Officer and a director since September 2011 and President since January 2012. Prior to joining Geron, Dr. Scarlett served as President, Chief Executive Officer and a member of the board of directors of Proteolix, Inc., a privately held, oncology-oriented biopharmaceutical company, from February 2009 until its acquisition by Onyx Pharmaceuticals, Inc., an oncology-oriented biopharmaceutical company, in November 2009. From February 2002 until its acquisition by Ipsen, S.A. in October 2008, Dr. Scarlett served as the Chief Executive Officer and a member of the board of directors of Tercica, Inc., an endocrinology-oriented biopharmaceutical company, and also as its President from February 2002 through February 2007. From March 1993 to May 2001, Dr. Scarlett served as President and Chief Executive Officer of Sensus Drug Development Corporation. In 1995, he co-founded Covance Biotechnology Services, Inc. and served as a member of its board of directors from inception to 2000. From 1991 to 1993, Dr. Scarlett headed the North American Clinical Development Center and served as Senior Vice President of Medical and Scientific Affairs at Novo Nordisk Pharmaceuticals, Inc., a wholly owned subsidiary of Novo Nordisk A/S. Dr. Scarlett received his B.A. degree in chemistry from Earlham College and his M.D. from the University of Chicago, Pritzker School of Medicine.

Graham K. Cooper has served as our as Executive Vice President, Finance and Business Development, and Chief Financial Officer, since January 2012. From May 2006 until March 2011, Mr. Cooper served as Senior Vice President, Chief Financial Officer and Treasurer of Orexigen Therapeutics, a biopharmaceutical company focused on the treatment of obesity. He was instrumental in growing Orexigen from a venture-backed startup into a sizable public company, completing a large Phase 3 obesity program and filing an NDA with the FDA. Previously, Mr. Cooper held the position of Director, Health Care Investment Banking, at Deutsche Bank Securities, a leading global investment bank, where for approximately eight years he was responsible for executing and managing a wide variety of financing and merger and acquisition transactions in the life sciences field. Mr. Cooper has earned a C.P.A., holds a B.A. in Economics from the University of California at Berkeley and an M.B.A. from the Stanford Graduate School of Business.

Stephen M. Kelsey, M.D., F.R.C.P., F.R.C.Path., has served as our Executive Vice President and Chief Medical Officer, Oncology since April 2009. From June 2002 until April 2009, Dr. Kelsey held various positions at Genentech, Inc., a leading biotechnology company (now a member of the Roche group), most recently as vice president, clinical hematology/oncology. From June 2000 to June 2002, Dr. Kelsey was the director of clinical affairs at Pharmacia Corporation (SUGEN, Inc.) in South San Francisco and director of global clinical development

(oncology) at Pharmacia Corporation, a global pharmaceutical company, in Milan, Italy. From July 1993 to June 2000, Dr. Kelsey served as a senior lecturer in hematology/oncology at St. Bartholomews and the Royal London School of Medicine and Dentistry and visiting fellow at Vancouver General Hospital and Terry Fox Laboratories. Dr. Kelsey earned his B.Sc. in Pharmacology, M.B., Ch.B., and Doctorate of Medicine (M.D.) degrees from the University of Birmingham in the United Kingdom.

Stephen N. Rosenfield, J.D., has served as our Executive Vice President, General Counsel and Corporate Secretary since February 2012, General Counsel and Secretary since January 2012 and Secretary since October 2011. From July 2009 to February 2012, Mr. Rosenfield has been a consultant to private companies. From October 2008 until June 2009, Mr. Rosenfield was the General Counsel and Secretary of Tercica, Inc., a U.S. subsidiary of Ipsen, SA., a global pharmaceutical company. From June 2004 until October 2008, Mr. Rosenfield was the General Counsel and Secretary of Tercica, Inc., an endocrinology-oriented biopharmaceutical company, from January 2006 until October 2008, he was also the Executive Vice President of Legal Affairs, and from June 2004 until January 2006, Mr. Rosenfield was the Senior Vice President of Legal Affairs. Prior to joining Tercica, Mr. Rosenfield served as the Executive Vice President of Legal Affairs, General Counsel and Secretary of InterMune, Inc., a biotechnology company focused in pulmonology and fibrotic diseases. Prior to joining InterMune, Mr. Rosenfield was an attorney at Cooley Godward LLP, an international law firm, where he served as outside counsel for biotechnology and technology clients. Mr. Rosenfield received a B.S. from Hofstra University and a J.D. from Northeastern University School of Law.

David J. Earp, J.D., Ph.D., has served as our Senior Vice President, Corporate Transactions, and Chief Legal Officer since May 2011. He is also a director of our wholly owned subsidiary, Geron Bio-Med, Ltd. and Executive Chairman of ViaGen, Inc., a Geron affiliate. From May 2004 until May 2011, Dr. Earp served as our Senior Vice President, Business Development and Chief Patent Counsel. From October 1999 until May 2004, he served as our Vice President, Intellectual Property. Prior to joining Geron, Dr. Earp was a partner at the intellectual property law firm of Klarquist Sparkman, LLP. Dr. Earp holds a B.Sc. in microbiology from the University of Leeds, England, a Ph.D. from the biochemistry department of The University of Cambridge, England, and conducted postdoctoral research at the University of California at Berkeley/U.S.D.A. Plant Gene Expression Center. He received his J.D. from the Northwestern School of Law of Lewis and Clark College.

Melissa A. Kelly Behrs has served as our Senior Vice President, Strategic Portfolio Management and Product Development and Manufacturing, since May 2011. She served as Senior Vice President, Therapeutic Development, Oncology from January 2007 until May 2011, and as Vice President, Oncology from January 2003 until January 2007. From April 2002 until January 2003, Ms. Behrs served as our Vice President, Corporate Development. From April 2001 until April 2002, Ms. Behrs served as our General Manager, Research and Development Technologies. Ms. Behrs joined us in November 1998 as Director of Corporate Development. From 1990 to 1998, Ms. Behrs worked at Genetics Institute, Inc., a biotechnology research and development company, serving initially as Assistant Treasurer and then as Associate Director of Preclinical Operations where she was responsible for all business development, regulatory, and project management activities for the Preclinical Development function. Ms. Behrs received a B.S. from Boston College and an M.B.A. from Babson College.

Melanie I. Nallicheri has served as our Senior Vice President, Corporate Development, since joining us in April 2011. Prior to Geron, Melanie was a partner and senior member of the global health team at Booz & Company/Booz Allen Hamilton, a management and technology consulting firm. She joined Booz in 1993 and advised clients across all sectors of healthcare, including large pharma, bio-pharmaceutical companies, payors and providers in both the U.S. and Europe. The focus of her work was on commercialization strategies, strategic planning, corporate strategy including M&A, due diligence, payor/provider economics and performance improvement. Ms. Nallicheri received an M.S. in Business and Economics from the WHU Otto Beisheim School in Germany and an M.B.A from Columbia Business School.

Olivia K. Bloom has served as our Vice President since January 2007, Chief Accounting Officer since September 2010 and Treasurer since February 2011. Ms. Bloom was Controller from 1996 to 2011 and joined Geron in 1994 as a Senior Financial Analyst. Prior to Geron, Ms. Bloom started her career in public accounting at KPMG Peat Marwick, a Big 4 audit, tax and advisory firm, and became a Certified Public Accountant in 1994. Ms. Bloom graduated Phi Beta Kappa with a B.S. in Business Administration from the University of California at Berkeley.

Employees

As of December 31, 2011, we had 178 employees of whom 48 held Ph.D. degrees and 49 held other advanced degrees, most of whom were engaged in full-time research and development activities. After giving effect to the restructuring we implemented on November 14, 2011, as of February 1, 2012, we had 111 full-time employees, 29 of whom held Ph.D. degrees and 35 of whom held other advanced degrees. Of this current total workforce, 80 employees were engaged in, or directly supported, our research and development activities and 31 employees were engaged in business development, legal, finance and administration. In addition, as of February 1, 2012, we continued to employ on a full-time basis 14 employees impacted by the November 2011 restructuring who are primarily facilitating the transition of our research and development activities for our stem cell programs and are discontinuing employment with us through various dates in the first half of 2012. We also retain outside consultants. None of our employees are covered by a collective bargaining agreement, nor have we experienced work stoppages. We consider relations with our employees to be good.

Corporate Information

Geron Corporation was incorporated in the State of Delaware on November 28, 1990.

Available Information

Our internet address is www.geron.com. Information included on our website is not part of this Form 10-K. We make available free of charge on our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (SEC). In addition, copies of our annual reports are available free of charge upon written request. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is www.sec.gov.

ITEM 1A. RISK FACTORS

Our business is subject to various risks, including those described below. You should carefully consider these risk factors, together with all of the other information included in this Form 10-K. Any of these risks could materially adversely affect our business, operating results and financial condition.

RISKS RELATED TO OUR BUSINESS

Our business is at an early stage of development, and we must overcome numerous risks and uncertainties to become successful.

Our business is at an early stage of development, in that we do not yet have product candidates in late-stage clinical trials or commercially available. Our ability to develop product candidates that progress to and through commercial launch is subject to our ability to, among other things:

- achieve success in Phase 2 and Phase 3 clinical trials;
- collaborate successfully with clinical trial sites, academic institutions, physician investigators, clinical research organizations and other third parties;
- manufacture product candidates at commercially reasonable costs;
- obtain required regulatory clearances and approvals;
- maintain and enforce adequate intellectual property protection for our product candidates; and
- obtain financing on commercially reasonable terms to fund our operations.

There are many reasons why we may need to delay or abandon efforts to research, develop or obtain regulatory approvals to market our product candidates. Our product candidates require significant clinical testing prior to regulatory approval in the United States and other countries. It may also be difficult to assess the success or failure of any of our clinical trials for many reasons, including but not limited to the subjectivity and changing landscape that accompanies the benefit-to-risk assessment in any given patient population, and because subpopulation data might not be available at the time we report top-line data or other results. Our product candidates also may prove to have undesirable and unintended side effects or other characteristics adversely affecting their safety, efficacy

or cost-effectiveness that could prevent or limit their approval for marketing and successful commercial use. In addition, they may not prove to be more effective for treating disease than current therapies. Competitors may also have proprietary rights that prevent us from developing and marketing our products, or those competitors may sell similar, superior or lower-cost products that make our products unsuitable for marketing. Our product candidates also may not be able to be manufactured in commercial quantities at an acceptable cost. All of the foregoing factors could delay or prevent us from commercializing and marketing our product candidates, which would materially adversely affect our business.

Our research and development programs are subject to numerous risks and uncertainties.

The science and technology of telomere biology and telomerase, as well as receptor-targeting peptides that cross the blood-brain barrier (BBB), are relatively new. There is no precedent for the successful commercialization of therapeutic product candidates based on these technologies. In addition, we, our licensees, and our collaborators must undertake significant research and development activities to develop product candidates based on these technologies, which will require additional funding and may take years to accomplish, if ever.

Because of the significant scientific, regulatory and commercial milestones that must be reached for any of our research and development programs to be successful, any program may be delayed or abandoned, even after we have expended significant resources on it. Such a delay or abandonment of our programs in telomerase technology or receptor-targeting peptide technology to cross the BBB**,** would have a material adverse effect on our business.

In our Phase 1 clinical trials of imetelstat, we observed dose-limiting toxicities, including thrombocytopenia when the drug was used as a single agent, and neutropenia when the drug was used in combination with paclitaxel, as well as a low incidence of severe infusion reactions. We also did not observe single-agent efficacy with imetelstat in our Phase 1 program. Further, the information we have related to the ability of GRN1005 to penetrate brain tissue and its anti-tumor activity is preliminary and based on Phase 1 clinical trials conducted by Angiochem. In the Phase 1 trials of GRN1005, Grade 4 neutropenia was the primary dose-limiting toxicity observed. In our Phase 2 clinical trials of imetelstat or GRN1005, we may observe similar dose-limiting toxicities or other safety issues which may require us to conduct additional, unforeseen trials or abandon these programs entirely.

If we are not able to divest our stem cell assets for substantial financial value, or at all, the proceeds of the divestiture will be limited and our stock price may decline.

Our stem cell programs are at an early stage of development, and we can give no assurance regarding the consideration we will receive, if any, for their disposition. In addition, some of our investors purchased shares of our common stock because they were interested in the opportunities presented by our human embryonic stem cell programs. Thus, certain stockholders attribute substantial financial value to our stem cell assets, and that we will receive such value through the divestiture of the stem cell programs. However, we can give no assurance that we will receive the financial value that these stockholders may attribute to our stem cell assets, or any financial value at all, and, as a result, our stock price may decline.

RISKS RELATED TO CLINICAL AND COMMERCIALIZATION ACTIVITIES

Our ability to complete ongoing clinical trials on a timely basis is subject to risks and uncertainties related to factors such as patient enrollment, drug supply and regulatory approval.

Completion of ongoing clinical trials of our product candidates may be delayed, or not occur, due to insufficient patient enrollment, which is a function of many factors, including the size and nature of the patient populations, the nature of the protocols, the proximity of patients to clinical sites, the availability of effective treatments for the relevant disease, and the eligibility criteria for the clinical trials. Other delays could be caused by:

- disruptions in drug supply;
- not receiving timely regulatory clearances or approvals, including, for example, acceptance of new manufacturing specifications by regulatory authorities;
- unavailability of any study-related treatment (including comparator therapy); or
- unanticipated issues with key vendors of clinical services, such as contract research organizations.

For example, enrollment in our Phase 2 trials of imetelstat in multiple myeloma and essential thrombocythemia has been slower than expected and with respect to our clinical studies of GRN1005, we have aggressive enrollment goals. Delays in timely completion of clinical testing of our product candidates could increase research and development costs and could prevent or would delay us from obtaining regulatory approval for our product candidates, both of which would likely have a material adverse effect on our business. Additionally, we can give no assurance that our enrollment goals will be met as we have projected, or at all.

Delays in the initiation of later-stage clinical testing of our current product candidates could result in increased costs to us and would delay our ability to generate revenues.

The commencement of later-stage clinical trials can be delayed for a variety of reasons, including delays in:

- demonstrating sufficient safety and efficacy in Phase 2 clinical trials to obtain regulatory clearance to commence a Phase 3 clinical trial;
- obtaining sufficient funding;
- manufacturing sufficient quantities of drug;
- producing drugs that meet the quality standards of the FDA and other regulatory agencies;
- ensuring our ability to manufacture drugs at acceptable costs for later-stage clinical trials and commercialization;
- obtaining clearance or approval of a proposed trial design or manufacturing specifications from the FDA and other regulatory authorities;
- reaching agreement on acceptable terms with our collaborators on all aspects of the clinical trial, including the contract research organizations and the trial sites; and
- obtaining institutional review board approval to conduct a clinical trial at a prospective site.

We may not be able to manufacture at costs or scales necessary to conduct our clinical programs or potential future commercialization activities.

Our product candidates are likely to be more expensive to manufacture than most other treatments currently available today or that may be available in the future. The commercial cost of manufacturing imetelstat and GRN1005 will need to be significantly lower than our current costs in order for these product candidates to become commercially successful products. Oligonucleotides are relatively large molecules produced using complex chemistry, and the cost of manufacturing an oligonucleotide like imetelstat is greater than the cost of making typical small-molecule drugs. Our present imetelstat manufacturing processes are conducted at a relatively modest scale appropriate for Phase 2 clinical trials. Similarly, our GRN1005 manufacturing processes are currently conducted at a relatively small scale, and there is also limited history of manufacturing of GRN1005. Accordingly, we can provide no assurance that we will achieve sufficient scale increases or cost reductions necessary for successful commercial production of imetelstat or GRN1005. Additionally, given the complexities of our manufacturing process, the resulting costs that we incur to conduct our clinical trials may be higher than would be anticipated for other comparable treatments, requiring us to expend relatively larger amounts of cash to complete our clinical trials.

Manufacturing our product candidates is subject to process and technical challenges and regulatory risk.

We face numerous risks and uncertainties with regard to manufacturing imetelstat and GRN1005. Regulatory requirements for product quality of oligonucleotide products are less well-defined than for small molecule drugs, and there is no guarantee that we will achieve sufficient product quality standards required for Phase 3 clinical trials or for commercial approval and manufacturing of imetelstat. Similarly, our GRN1005 manufacturing process, including the consistency and quality of batches made, while appropriate for Phase 2 clinical trials, will need to improve to meet regulatory requirements for Phase 3 clinical trials and commercial approval. Also, changes in our manufacturing processes for imetelstat or GRN1005 made during later stages of clinical development, including during Phase 3 trials, may result in regulatory delays, the need for further clinical studies, or rejection of a marketing application by regulatory authorities, which would result in a material adverse effect on our business.

We do not have experience as a company in conducting large-scale, late-stage clinical trials, or in those areas required for the successful commercialization of our product candidates.

We have no experience in conducting large-scale, late-stage clinical trials. We cannot be certain that any large-scale, late-stage planned clinical trials will begin or be completed on time, if at all. Large-scale, late-stage clinical trials will require additional financial and management resources and reliance on third-party clinical investigators, CROs and consultants. Relying on third-party clinical investigators or CROs may cause delays that are outside of our control. Any such delays could have a material adverse effect on our business.

We also do not have commercialization capabilities for our product candidates. Developing an internal sales, marketing and distribution capability would be an expensive and time-consuming process. We may not be able to enter into third-party marketing and distribution agreements on terms that are economically attractive, or at all. Even if we do enter into such agreements, these third parties may not successfully market or distribute any of our product candidates.

Obtaining regulatory approvals to market our product candidates in the United States and other countries is a costly and lengthy process, and we cannot predict whether or when we will be permitted to commercialize our product candidates.

Federal, state and local governments in the United States and governments in other countries have significant regulations in place that govern many of our activities and may prevent us from creating commercially viable products from our discoveries, and from successfully conducting our development efforts and commercializing our product candidates. The regulatory process, particularly for biopharmaceutical product candidates like ours, is uncertain, can take many years and requires the expenditure of substantial resources.

Our potential product candidates will require extensive preclinical and clinical testing prior to submission of any regulatory application seeking approval to commence commercial sales. In particular, human pharmaceutical therapeutic product candidates are subject to rigorous requirements of the FDA in the United States and similar health authorities in other countries in order to demonstrate safety and efficacy. Data obtained from preclinical and clinical activities are susceptible to varying interpretations that could delay, limit or prevent regulatory agency approvals. For example, safety and efficacy data from any of our Phase 2 clinical trials, even if favorable, may not provide sufficient rationale for us to proceed to a Phase 3 clinical trial. In addition, delays or rejections may be encountered as a result of changes in regulatory environment or regulatory agency policy during the period of product development and/or the period of review of any application for regulatory agency approval for a product candidate.

Any product candidate that we, or our collaborators, develop must receive all relevant regulatory agency approvals before it may be marketed in the United States or other countries. Obtaining regulatory approval is a lengthy, expensive and uncertain process. Because certain of our product candidates involve the application of new technologies or are based upon a new therapeutic approach, they may be subject to substantial additional review by various government regulatory authorities, and, as a result, the process of obtaining regulatory approvals for them may proceed more slowly than for product candidates based upon more conventional technologies.

Delays in obtaining regulatory agency approvals could:

- significantly harm the marketing of any products that we or our collaborators develop;
- impose costly procedures upon our activities or the activities of our collaborators;
- diminish any competitive advantages that we or our collaborators may attain; or
- adversely affect our ability to receive royalties and generate revenues and profits.

Even if we commit the necessary time and resources, the required regulatory agency approvals may not be obtained for any product candidates developed by us or in collaboration with us. If we obtain regulatory agency approval for a new product, this approval may entail limitations on the indicated uses or other aspects of the product label for which it can be marketed that could limit the potential commercial use of the product.

Failure to achieve continued compliance with government regulation over approved products could delay or halt commercialization of our products.

Approved products and their manufacturers are subject to continual review, and discovery of previously unknown problems with a product or its manufacturer may result in restrictions on the product or manufacturer, including withdrawal of the product from the market. The future sale by us or our collaborators of any commercially viable product will be subject to government regulation related to numerous matters, including the processes of:

- manufacturing;
- advertising and promoting;
- selling and marketing;
- labeling; and
- distribution.

If, and to the extent that, we are unable to comply with these regulations, our ability to earn revenues from product sales will be materially and negatively impacted.

Failure to comply with regulatory requirements can result in severe civil and criminal penalties, including but not limited to:

- recall or seizure of products;
- injunction against the manufacture, distribution and sales and marketing of products; and
- criminal prosecution.

The imposition of any of these penalties or other commercial limitations could significantly impair our business, financial condition and results of operations.

RISKS RELATED TO OUR RELATIONSHIPS WITH THIRD PARTIES

We depend on other parties to help us develop and test our product candidates, and our ability to develop and commercialize product candidates may be impaired or delayed if collaborations are unsuccessful.

Our strategy for the development, clinical testing and commercialization of our product candidates requires that we enter into collaborations with clinical research organizations, vendors, corporate partners, licensors, licensees and others. We are dependent upon the ability of these parties to perform their responsibilities reliably. By way of example, we have contracted with two clinical research organizations that are primarily responsible for the execution of clinical site related activities for our imetelstat and GRN1005 Phase 2 clinical studies, including clinical trial site monitoring activities. In addition, we have contracted with single vendors for each of our clinical programs to develop and maintain the clinical databases for each respective program, and a single vendor maintains our safety database for both programs. Accordingly, if the performance of these services is not of the highest quality, or does not achieve necessary regulatory compliance standards, or if such organization or vendor stops or delays its performance for any reason, it would impair and delay our ability to report data from our clinical trials and make the necessary representations to regulatory authorities, if at all.

The development and commercialization of our product candidates will be delayed if collaborators, contractors or other partners fail to conduct these activities in a timely manner or at all. In addition, our collaborators could terminate their agreements with us and we may not receive any development or milestone payments. If we do not achieve milestones set forth in agreements with collaborators, or if our collaborators breach or terminate their collaborative agreements with us, our business may be materially harmed.

Our ability to manufacture our product candidates and products is risky and uncertain because we must rely on third parties for manufacturing. There may be shortages of key materials, and we may have only one source of manufacture or supply.

We rely on other companies for certain process development, supply of starting materials, manufacturing or other technical and scientific work with respect to our imetelstat and GRN1005 product candidates, but we do not have direct control over their personnel or operations. If these companies do not perform the work which they were assigned or do not complete the work within the expected timelines, or if they choose to exit the business, our ability to develop or manufacture our product candidates could be significantly harmed. For example, we may need to change one or more of our suppliers due to these or other reasons and the change could lead to delays in drug supply. In addition, we have not established long-term agreements for the supply of imetelstat or GRN1005.

In addition, our manufacturers may need to make substantial investments to enable sufficient capacity increases, cost reductions, and to implement those regulatory and compliance standards necessary for successful Phase 3 trials and commercial production. We can provide no assurance that our manufacturers will achieve such capacity increases, cost reductions, or regulatory and compliance standards, and even if they do, that such achievements will be at a commercially reasonable cost to us.

There are other risks and uncertainties that we face with respect to manufacturing. For example, we do not have a secondary source for the supply of GRN1005 bulk drug substance (unformulated peptide-paclitaxel conjugate). In addition, we currently have an agreement with only a single contractor for distribution of imetelstat and GRN1005 final drug product to clinical sites in North America. As another example, certain commonly used reagents and solvents can experience market shortages and, if these shortages occur, they may adversely impact our ability to manufacture our product candidates.

Our reliance on the activities of our consultants, research institutions, and scientific contractors, whose activities are not wholly within our control, may lead to delays in development of our product candidates.

We rely extensively upon and have relationships with scientific consultants and contractors at academic and other institutions. Some of our scientific consultants and contractors conduct research at our request, and others assist us in formulating our research and development and clinical strategy or other matters. These consultants and contractors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. We have limited control over the activities of these consultants and contractors and, except as otherwise required by our collaboration and consulting agreements, can expect only limited amounts of their time to be dedicated to our activities.

In addition, we have formed research collaborations with many academic and other research institutions throughout the world. These research facilities may have commitments to other commercial and noncommercial entities. We have limited control over the operations of these laboratories and can expect only limited amounts of their time to be dedicated to our research goals.

If any of these third parties are unable or refuse to contribute to projects on which we need their help, our ability to generate advances in our technologies and develop our product candidates could be significantly harmed.

RISKS RELATED TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL FINANCING

We have a history of losses and anticipate future losses, and continued losses could impair our ability to sustain operations.

We have incurred operating losses every year since our operations began in 1990. As of December 31, 2011, our accumulated deficit was approximately $785.5 million. Losses have resulted principally from costs incurred in connection with our research and development activities and from general and administrative costs associated with our operations. We expect to incur additional operating losses and, as our development efforts and clinical testing activities continue, our operating losses may increase in size.

Substantially all of our revenues to date have been research support payments under collaboration agreements and revenues from our licensing arrangements. We may be unsuccessful in entering into any new corporate collaboration or license agreements that result in revenues. We do not expect that the revenues generated from these arrangements will be sufficient alone to continue or expand our research or development activities and otherwise sustain our operations.

While we receive royalty revenue from licenses, we do not expect to receive sufficient royalty revenues from these licenses to independently sustain our operations. Our ability to continue or expand our research and development activities and otherwise sustain our operations is dependent on our ability, alone or with others, to, among other things, discover, develop, manufacture and market therapeutic products.

We also expect to experience negative cash flow for the foreseeable future as we fund our operating losses and capital expenditures. This will result in decreases in our working capital, total assets and stockholders' equity, which may not be offset by future financings. We will need to generate significant revenues to achieve profitability. We may not be able to generate these revenues, and we may never achieve profitability. Our failure to achieve profitability could negatively impact the market price of our common stock and our ability to sustain operations. Even if we do become profitable, we cannot assure you that we would be able to sustain or increase profitability on a quarterly or annual basis.

We will need additional capital to conduct our operations and develop our product candidates, and our ability to obtain the necessary funding is uncertain.

We will require substantial capital resources in order to conduct our operations and develop our product candidates, and we cannot assure you that our existing capital resources, interest income and equipment financing arrangement will be sufficient to fund future planned operations. The timing and degree of any future capital requirements will depend on many factors, including:

- the accuracy of the assumptions underlying our estimates for our capital needs for 2012 and beyond;
- changes in our clinical development plans for our product candidates, imetelstat and GRN1005;
- our ability to meaningfully reduce manufacturing costs of current product candidates;
- the magnitude and scope of our research and development programs, including the number and type of product candidates we intend to pursue;
- the progress we make in our research and development programs, preclinical development and clinical trials;
- our ability to establish, enforce and maintain strategic arrangements for research, development, clinical testing, manufacturing and marketing;
- the timing of a divesture of or partnering for our stem cell program assets and the consideration we may receive as result of such divesture or partnering transaction;
- the time and costs involved in obtaining regulatory approvals and clearances; and
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims.

Additional financing through strategic collaborations, public or private equity financings, capital lease transactions or other financing sources may not be available on acceptable terms, or at all. The receptivity of the public and private equity markets to proposed financings is substantially affected by the general economic, market and political climate and by other factors which are unpredictable and over which we have no control. Additional equity financings, if we obtain them, could result in significant dilution to our stockholders. Further, in the event that additional funds are obtained through arrangements with collaborative partners, these arrangements may require us to relinquish rights to some of our technologies, product candidates or proposed products that we would otherwise seek to develop and commercialize ourselves. If sufficient capital is not available, we may be required to delay, reduce the scope of, suspend or eliminate one or more of our programs, any of which could have a material adverse effect on our business. For example, in November 2011 we announced that we were discontinuing further development of our human embryonic stem cell programs in order to focus on our oncology programs.

RISKS RELATED TO PROTECTING OUR INTELLECTUAL PROPERTY

Our success will depend on our ability to protect our technologies and our product candidates through patents and other intellectual property rights and to operate without infringing the rights of others. If we or our licensors are unsuccessful in either of these regards, the value of our technologies and product candidates will be adversely affected and we may be unable to continue our development work.

Protection of our proprietary technology is critically important to our business. Our success will depend in part on our ability to obtain and enforce our patents and maintain trade secrets, both in the United States and in other countries. By way of example, we do not yet have issued patents for GRN1005 in Europe or Japan, or for imetelstat in Europe after 2020. Further, our patents may be challenged, invalidated or circumvented, and our patent rights may not provide proprietary protection or competitive advantages to us. In the event that we or our licensors are unsuccessful in obtaining and enforcing patents, we may not be able to further develop or commercialize our product candidates and our business would be negatively impacted. By way of example, we depend in part on the ability of Angiochem to obtain, maintain and enforce patent rights for the proprietary peptide-drug conjugate technology that we have licensed.

Publication of discoveries in scientific or patent literature tends to lag behind actual discoveries by at least several months and sometimes several years. Therefore, the persons or entities that we or our licensors name as inventors in our patents and patent applications may not have been the first to invent the inventions disclosed in the patent applications or patents, or the first to file patent applications for these inventions. As a result, we may not be able to obtain patents for discoveries that we otherwise would consider patentable and that we consider to be extremely significant to our future success.

The patent positions of pharmaceutical and biopharmaceutical companies, including ours, are highly uncertain and involve complex legal and technical questions. In particular, legal principles for biotechnology and pharmaceutical patents in the United States and in other countries are evolving, and the extent to which we will be able to obtain patent coverage to protect our technology, or enforce issued patents, is uncertain.

If we infringe the patents of others, we may be blocked from continuing development work or be required to obtain licenses on terms that may impact the value of our product candidates.

Challenges to our patent rights can result in costly and time-consuming legal proceedings that may prevent or limit development of our product candidates.

Our patents may be challenged through administrative or judicial proceedings. Such proceedings are typically lengthy and complex, and an adverse decision can result in the loss of important patent rights. For example, where more than one party seeks U.S. patent protection for the same technology, the Patent Office may declare an interference proceeding in order to ascertain the party to which the patent should be issued. Patent interferences are typically complex, highly contested legal proceedings, subject to appeal. They are usually expensive and prolonged, and can cause significant delay in the issuance of patents. Notably, under the America Invents Act (AIA) signed into law in September 2011, interference proceedings will be eliminated in March 2013, to be replaced with other types of proceedings, including post-grant review procedures. Until such time, our pending patent applications, or our issued patents, may be drawn into interference proceedings which may delay or prevent the issuance of patents, or result in the loss of issued patent rights.

Certain jurisdictions, such as Europe, New Zealand and Australia, permit oppositions to be filed against granted patents or patents proposed to be granted. Because our intent is to commercialize products internationally, securing both proprietary protection and freedom to operate outside of the United States is important to our business. We are involved in both opposing the grant of patents to others through such opposition proceedings and in defending our patent applications against oppositions filed by others. For example, we have been involved in several patent oppositions before the EPO with a series of companies (GemVax, Pharmexa and KAEL-GemVax) developing GV1001, a cancer vaccine that employs a short telomerase peptide to induce an immune response against telomerase. The rights to GV1001 passed from GemVax, a Norwegian company, to Pharmexa, a Danish company, as a result of a 2005 acquisition. In late 2008, Pharmexa reported that it sold its telomerase vaccine program to a Korean company, KAEL Co. Ltd., and the continuing company now operates under the name KAEL-GemVax. Various clinical studies of GV1001 are underway, including a Phase 3 combination study in pancreatic cancer. Pharmexa originally obtained a European patent with broad claims to the use of telomerase vaccines for the

treatment of cancer, and we opposed that patent in 2004. In 2005, the Opposition Division (OD) of the EPO revoked the claims originally granted to Pharmexa, but permitted Pharmexa to add new, narrower claims limited to five specific small peptide fragments of telomerase. The decision was appealed to the Technical Board of Appeals (TBA). In August 2007, the TBA ruled, consistent with the decision of the OD, that Pharmexa was not entitled to the originally granted broad claims but was only entitled to the narrow claims limited to the five small peptides. KAEL-GemVax was recently granted a further related European patent covering its telomerase peptide vaccine against which we have filed an opposition. That opposition is ongoing and we cannot predict the outcome.

In parallel, Pharmexa opposed a European patent held by us, the claims of which cover many facets of human telomerase, including the use of telomerase peptides in cancer vaccines. In June 2006, the OD of the EPO revoked three of the granted claims in our patent, specifically the three claims covering telomerase peptide cancer vaccines. The remaining 47 claims were upheld, and that decision was recently affirmed by the TBA. We have now been awarded a second European patent with claims to telomerase peptides, and this patent has also been opposed by KAEL-GemVax. We believe that GV1001 is covered by our telomerase patents and our goal in these proceedings is to maintain strong patent protection that will enable us to enter into a licensing arrangement with KAEL-GemVax that could result in commercial benefit for Geron if GV1001 is successfully commercialized. We cannot predict the outcome of this opposition or any subsequent appeal of the decision in the opposition.

European opposition and appeal proceedings can take several years to reach final decision. The oppositions discussed above reflect the complexity of the patent landscape in which we operate, and illustrate the risks and uncertainties. We are also currently involved in other patent opposition proceedings in Europe and Australia.

Under the AIA, effective in March 2013, U.S. patents will be subject to post-grant review procedures similar to European oppositions. Patents owned or licensed by us may therefore be subject to post-grant review procedures, as well as other forms of review and reexamination. A decision in such proceedings adverse to our interests could result in the loss of valuable patent rights and negatively impact our business.

As more groups become engaged in scientific research and product development in the areas of telomerase biology and peptide-drug conjugates for delivery of therapeutics across the BBB, the risk of our patents being challenged through patent interferences, oppositions, reexaminations, litigation or other means will likely increase. Challenges to our patents through these procedures can be extremely expensive and time-consuming, even if the outcome is favorable to us. An adverse outcome in a patent dispute could severely harm our business by:

- causing us to lose patent rights in the relevant jurisdiction(s);
- subjecting us to litigation, or otherwise preventing us from commercializing product candidates in the relevant jurisdiction(s);
- requiring us to obtain licenses to the disputed patents;
- forcing us to cease using the disputed technology; or
- requiring us to develop or obtain alternative technologies.

By way of example, an anonymous party has recently filed papers at the European Patent Office challenging the proposed issuance of a patent to Angiochem that is relevant to GRN1005. If such challenges to our patent rights covering our drug candidates are not resolved promptly in our favor, our existing business relationships may be jeopardized and we could be delayed or prevented from entering into new collaborations or from commercializing certain products, which could materially harm our business.

If we fail to meet our obligations under license agreements, we may lose our rights to key technologies on which our business depends.

Our business depends on several critical technologies that are based in part on patents licensed from third parties, including the exclusive worldwide license rights we obtained from Angiochem in December 2010. Those third-party license agreements impose obligations on us, such as payment obligations and obligations to diligently pursue development of commercial products under the licensed patents. If a licensor believes that we have failed to meet our obligations under a license agreement, the licensor could seek to limit or terminate our license rights, which could lead to costly and time-consuming litigation and, potentially, a loss of the licensed rights. During the

period of any such litigation our ability to carry out the development and commercialization of product candidates could be significantly and negatively affected. If our license rights were restricted or ultimately lost, our ability to continue our business based on the affected technology would be severely adversely affected.

We may be subject to infringement claims that are costly to defend, and which may limit our ability to use disputed technologies and prevent us from pursuing research and development or commercialization of product candidates.

Our commercial success depends significantly on our ability to operate without infringing patents and the proprietary rights of others. Our technologies may infringe the patents or proprietary rights of others. In addition, we may become aware of discoveries and technology controlled by third parties that are advantageous to our programs. In the event our technologies infringe the rights of others or we require the use of discoveries and technology controlled by third parties, we may be prevented from pursuing research, development or commercialization of product candidates or may be required to obtain licenses to those patents or other proprietary rights or develop or obtain alternative technologies. We have obtained licenses from several universities and companies for technologies that we anticipate incorporating into our product candidates, and we initiate negotiation for licenses to other technologies as the need or opportunity arises. We may not be able to obtain a license to patented technology on commercially favorable terms, or at all. If we do not obtain a necessary license, we may need to redesign our technologies or obtain rights to alternate technologies, the research and adoption of which could cause delays in our product development. In cases where we are unable to license necessary technologies, we could be prevented from developing certain product candidates. Our failure to obtain alternative technologies or a license to any technology that we may require to research, develop or commercialize our product candidates would significantly and negatively affect our business. By way of example, we are aware of at least one entity that is seeking to obtain patent claims that may, if granted, be argued to read on imetelstat. While such claims have not been issued, and may not be valid if they do issue, we expect that as our product candidates continue to progress in development, we will see more efforts by others to obtain patents that are positioned to cover our product candidates.

Much of the information and know-how that is critical to our business is not patentable, and we may not be able to prevent others from obtaining this information and establishing competitive enterprises.

We sometimes rely on trade secrets to protect our proprietary technology, especially in circumstances in which we believe patent protection is not appropriate or available. We attempt to protect our proprietary technology in part by confidentiality agreements with our employees, consultants, collaborators and contractors. We cannot provide assurance that these agreements will not be breached, that we would have adequate remedies for any breach, or that our trade secrets will not otherwise become known or be independently discovered by competitors, any of which would harm our business significantly.

Our ability to divest our stem cell programs, and the value that we receive from any such arrangements depends at least in part on the strength of our hESC-related intellectual property.

We developed an extensive portfolio of Geron-owned patent filings covering our prior development of hESC technologies, as well as patents that we licensed from other parties. This intellectual property is a substantial component of the stem cell assets that we are seeking to divest. Our ability to divest our hESC programs, and the value that we receive will depend in part on the strength, scope and term of the patents in our hESC portfolio, as well as our ability to maintain our license rights to the patents that we licensed from third parties. Legal developments and proceedings that may impact the value of our hESC patent portfolio include:

- *European court ruling:* In 2011, the European Court of Justice (ECJ) rendered a decision in a case known as Brüstle v. Greenpeace that is widely viewed to have effectively abolished the ability to enforce patents on hESC technologies in member states of the European Union (EU). This decision may reduce the value of our hESC patent portfolio in a partnering deal.

- *Patent interferences:* Two of our patent applications covering the production of endoderm from hESCs (part of the process for making pancreatic islet cells) are involved in interferences with patents held by ViaCyte, Inc. A number of outcomes are possible: (i) the claims may be awarded to ViaCyte; (ii) the claims may be awarded to us, or (iii) neither party may be found to be entitled to the claims. The decision from the Patent Office may also be subject to appeal. Since the interferences are still ongoing, we cannot predict what the outcome will be.

- *Reexaminations:* In July 2006, requests were filed on behalf of the Foundation for Taxpayer and Consumer Rights (now renamed as Consumer Watchdog) for reexamination of three issued U.S. patents owned by the Wisconsin Alumni Foundation (WARF). These three patents (U.S. Patent Nos. 5,843,780, 6,200,806 and 7,029,913) are licensed to us pursuant to a January 2002 license agreement which conveys exclusive rights to us under the WARF patents for the development and commercialization of therapeutics based on neural cells, cardiomyocytes and pancreatic islet cells, derived from hESCs, as well as non-exclusive rights for other product opportunities. After initially rejecting the patent claims, the Patent Office issued decisions in all three cases upholding the patentability of the claims as amended. The decisions to uphold the 5,843,780 and 6,200,806 patents are final and not subject to further appeal. Consumer Watchdog appealed the decision on the 7,029,913 patent and, in April 2010, the Board of Patent Appeals and Interferences reversed the earlier decision of the Patent Office on the 7,029,913 patent and remanded the case back to the Patent Office for further prosecution. In November, 2011, the Patent Office again upheld the patentability of the claims. The case could be subject to further appeal.

RISKS RELATED TO COMPETITIVE FACTORS

The loss of key personnel could slow our ability to conduct research and develop product candidates.

Our future success depends to a significant extent on the skills, experience and efforts of our executive officers and key members of our clinical and scientific staff. We face intense competition for qualified individuals from numerous pharmaceutical, biopharmaceutical and biotechnology companies, as well as academic and other research institutions. We may be unable to retain our current personnel or attract or assimilate other highly qualified management and scientific personnel in the future on acceptable terms. The loss of any or all of these individuals could harm our business and might significantly delay or prevent the achievement of research, development or business objectives.

Some of our competitors may develop technologies that are superior to or more cost-effective than ours, which may significantly impact the commercial viability of our technologies and damage our ability to sustain operations.

The pharmaceutical and biotechnology industries are intensely competitive. Other pharmaceutical and biotechnology companies and research organizations currently engage in or have in the past engaged in efforts related to the biological mechanisms that are the focus of our programs in oncology therapies, including the study of telomeres, telomerase and receptor-targeting peptides crossing the BBB. In addition, other products and therapies that could directly compete with the product candidates that we are seeking to develop and market currently exist or are being developed by pharmaceutical and biopharmaceutical companies and by academic and other research organizations.

Many companies are developing alternative therapies to treat cancer and, in this regard, are competitors of ours. There are more than 200 approved anti-cancer products on the market in the United States, and several thousand in clinical development. Many of the pharmaceutical companies developing and marketing these competing products (e.g., GlaxoSmithKline, Bristol-Myers Squibb Company and Novartis AG) have significantly greater financial resources and expertise than we do in:

- research and development;
- manufacturing;
- preclinical and clinical testing;
- obtaining regulatory approvals; and
- marketing, sales and distribution.

Smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Academic institutions, government agencies and other public and private research organizations may also conduct research, seek patent protection and establish collaborative arrangements for research, clinical development and marketing of products similar to ours. These companies and institutions compete with us in recruiting and retaining qualified scientific and management personnel as well as in acquiring technologies complementary to our programs.

In addition to the above factors, we expect to face competition in the following areas:

- product efficacy and safety;
- the timing and scope of regulatory consents;
- availability of resources;
- reimbursement coverage;
- price; and
- patent position, including potentially dominant patent positions of others.

As a result of the foregoing, our competitors may develop more effective or more affordable products, or achieve earlier patent protection or product commercialization than we do. Most significantly, competitive products may render any product candidates that we develop obsolete, which would negatively impact our business and ability to sustain operations.

To be successful, our product candidates must be accepted by the health care community, which can be very slow to adopt or unreceptive to new technologies and products.

Our product candidates and those developed by our collaborators, if approved for marketing, may not achieve market acceptance since hospitals, physicians, patients or the medical community in general may decide not to accept and utilize these products. The product candidates that we are attempting to develop will compete with a number of conventional drugs and therapies manufactured and marketed by major pharmaceutical companies. The degree of market acceptance of any of our developed product candidates will depend on a number of factors, including:

- our establishment and demonstration to the medical community of the clinical efficacy and safety of our product candidates;
- our ability to create products that are superior to alternatives currently on the market;
- our ability to establish in the medical community the potential advantage of our treatments over alternative treatment methods; and
- reimbursement policies of government and third-party payers.

If the health care community does not accept our product candidates for any of the foregoing reasons, or for any other reason, our business would be materially harmed.

If we fail to obtain acceptable prices or adequate reimbursement for our product candidates, the use of our product candidates could be severely limited.

Our ability to successfully commercialize our product candidates will depend significantly on our ability to obtain acceptable prices and the availability of reimbursement to the patient from third-party payers. In March 2010, the Patient Protection and Affordability Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the PPACA) became law. The PPACA contains numerous initiatives that impact the pharmaceutical industry. These include, among other things:

- increasing existing price rebates in federally funded health care programs;
- expanding rebates, or other pharmaceutical company discounts, into new programs;
- imposing a new non-deductible excise tax on sales of certain prescription pharmaceutical products by prescription drug manufacturers and importers;
- reducing incentives for employer-sponsored health care;
- creating an independent commission to propose changes to Medicare with a particular focus on the cost of biopharmaceuticals in Medicare Part D;
- providing a government-run public option with biopharmaceutical price-setting capabilities;

- allowing the Secretary of Health and Human Services to negotiate drug prices within Medicare Part D directly with pharmaceutical manufacturers;
- reducing the number of years of data exclusivity for innovative biological products potentially leading to earlier biosimilar competition; and
- increasing oversight by the FDA of pharmaceutical research and development processes and commercialization tactics.

While the PPACA may increase the number of patients who have insurance coverage for our product candidates, its cost containment measures could also adversely affect reimbursement for our product candidates. Cost control initiatives could decrease the price that we receive for any product candidate we may develop in the future. If our product candidates are not considered cost-effective or if we fail to generate adequate third-party reimbursement for the users of our product candidates and treatments, then we may be unable to maintain price levels sufficient to realize an appropriate return on our investment for product candidates currently in development, which could have an adverse impact on our business.

RISKS RELATED TO ENVIRONMENTAL AND PRODUCT LIABILITY

Our activities involve hazardous materials, and improper handling of these materials by our employees, contractors, or agents could expose us to significant legal and financial penalties.

Our research and development activities involve the controlled use of hazardous materials, chemicals and various radioactive compounds. As a consequence, we, our contractors and agents are subject to numerous environmental and safety laws and regulations, including those governing laboratory procedures, exposure to blood-borne pathogens and the handling of biohazardous materials. As an example, one of the components of GRN1005, paclitaxel, is considered a cytotoxic agent, which makes the manufacturing of GRN1005 subject to additional regulations, and limits the number of manufacturing facilities in which GRN1005 can be made. We, our contractors or agents may be required to incur significant costs to comply with current or future environmental laws and regulations and may be adversely affected by the cost of compliance with these laws and regulations.

Although we believe that our safety procedures for using, handling, storing and disposing of hazardous materials comply with the standards prescribed by state and federal regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. In the event of such an accident, state or federal authorities could curtail our use of these materials and we, our contractors or agents could be liable for any civil damages that result, the cost of which could be substantial. Further, any failure by us to control the use, disposal, removal or storage, or to adequately restrict the discharge, or assist in the clean up, of hazardous chemicals or hazardous, infectious or toxic substances could subject us to significant liabilities, including joint and several liability under certain statutes. Any such liability could exceed our resources and could have a material adverse effect on our business, financial condition and results of operations. Additionally, an accident could damage our research and manufacturing facilities and operations.

Additional federal, state and local laws and regulations affecting us may be adopted in the future. We, our contractors and agents may incur substantial costs to comply with these laws and regulations and substantial fines or penalties if we violate any of these laws or regulations, which would adversely affect our business.

We may not be able to obtain or maintain sufficient insurance on commercially reasonable terms or with adequate coverage against potential liabilities in order to protect ourselves against product liability claims.

Our business exposes us to potential product liability risks that are inherent in the testing, manufacturing and marketing of human therapeutic and diagnostic products. We may become subject to product liability claims if the use of our product candidates is alleged to have injured subjects or patients. This risk exists for our product candidates currently being tested in human clinical trials as well as product candidates that are sold commercially in the future. We currently have limited clinical trial liability insurance and we may not be able to maintain this type of insurance for any of our clinical trials. In addition, product liability insurance is becoming increasingly expensive. Being unable to obtain or maintain product liability insurance in the future on acceptable terms or with adequate coverage against potential liabilities could have a material adverse effect on our business.

RISKS RELATED TO OUR COMMON STOCK AND FINANCIAL REPORTING

Historically, our stock price has been extremely volatile.

Stock prices and trading volumes for many biopharmaceutical companies fluctuate widely for a number of reasons, including factors which may be unrelated to their businesses or results of operations such as media coverage, legislative and regulatory measures and the activities of various interest groups or organizations. This market volatility, as well as general domestic or international economic, market and political conditions, could materially and adversely affect the market price of our common stock and the return on your investment.

Historically, our stock price has been extremely volatile. Between January 1, 2002 and December 31, 2011, our stock has traded as high as $16.80 per share and as low as $1.35 per share. Between January 1, 2009 and December 31, 2011, the price has ranged between a high of $9.24 per share and a low of $1.35 per share. The significant market price fluctuations of our common stock are due to a variety of factors, including:

- announcements regarding our clinical trial results;
- the demand in the market for our common stock;
- the experimental nature of our product candidates;
- fluctuations in our operating results;
- our declining cash balance as a result of operating losses;
- market conditions relating to the biopharmaceutical and pharmaceutical industries;
- announcements of technological innovations, new commercial products, or clinical progress or lack thereof by us, our collaborative partners or our competitors;
- announcements concerning regulatory developments, developments with respect to proprietary rights and our collaborations;
- comments by securities analysts;
- general market conditions;
- the issuance of common stock to partners, vendors or to investors to raise additional capital; and
- the occurrence of any of those risks and uncertainties discussed in this Item 1A, “Risk Factors”.

In addition, the stock market is subject to other factors outside our control that can cause extreme price and volume fluctuations. Since the latter half of 2008, broad distress in the financial markets and the economy have resulted in greatly increased market uncertainty and instability in both U.S. and international capital and credit markets. These conditions, combined with foreign credit concerns, declining business and consumer confidence and high unemployment have recently contributed to substantial market volatility, and if such market conditions persist, the price of our common stock may fluctuate or decline.

We may be subject to litigation that will be costly to defend or pursue and uncertain in its outcome.

Securities-related class action litigation has often been brought against companies, including many biotechnology companies, which experience volatility in the market price of their securities. This risk is especially relevant for us because biotechnology and biopharmaceutical companies often experience significant stock price volatility in connection with their product development programs. For example, after we announced the discontinuation of our stem cell business, our stock price declined 20%. Further, if the results of our Phase 2 trials are not successful, or if we are unable to receive what stockholders believe to be adequate compensation for our stem cell assets, our stock price would likely decline, and may result in litigation. Securities-related litigation may be filed in the future and a decision adverse to our interests in any such lawsuit could result in the payment of substantial damages by us, and could have a material adverse effect on our cash flow, results of operations and financial position.

Our business may bring us into conflict with our licensees, licensors, or others with whom we have contractual or other business relationships, or with our competitors or others whose interests differ from ours. If we are unable to resolve those conflicts on terms that are satisfactory to all parties, we may become involved in litigation brought

by or against us. Monitoring and defending against legal actions is time-consuming for our management, is likely to be expensive and may detract from our ability to fully focus our internal resources on our business activities. The outcome of litigation is always uncertain, and in some cases could include judgments against us that require us to pay damages, enjoin us from certain activities, or otherwise affect our legal or contractual rights, which could have a significant adverse effect on our business. In addition, the inherent uncertainty of such litigation could lead to increased volatility in our stock price.

The sale of a substantial number of shares may adversely affect the market price of our common stock.

The sale of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, could significantly and negatively affect the market price of our common stock. As of December 31, 2011, we had 200,000,000 shares of common stock authorized for issuance and 131,443,148 shares of common stock outstanding. In addition, as of December 31, 2011, we had reserved approximately 36,609,895 shares of common stock for future issuance pursuant to our option and equity incentive plans, potential milestone payments and outstanding warrants.

In addition, we have issued common stock to certain third parties, such as vendors and service providers, as payment for products and services. Under these arrangements, we have typically agreed to register the shares for resale soon after their issuance. We may continue to pay for certain goods and services in this manner, which would dilute your interest in us. Also, sales of the shares issued in this manner could negatively affect the market price of our common stock.

Future sales of the shares of the common stock, or the registration for sale of such common stock, or the issuance of common stock to satisfy our current or future cash payment obligations or to acquire technology, property, or other businesses, could cause immediate dilution and adversely affect the market price of our common stock. By way of example, in July 2009 we filed a universal shelf registration statement to sell any combination of debt securities, common stock, preferred stock and warrants in one or more offerings. The cumulative value allowed to be sold of all securities under this universal shelf registration statement is limited to $250 million and as of December 31, 2011, we have approximately $113 million remaining available. The sale or issuance of such stock, as well as the existence of outstanding options and shares of common stock reserved for issuance under our option and equity incentive plans, also may adversely affect the terms upon which we are able to obtain additional capital through the sale of equity securities.

Our undesignated preferred stock may inhibit potential acquisition bids; this may adversely affect the market price of our common stock and the voting rights of holders of our common stock.

Our certificate of incorporation provides our Board of Directors with the authority to issue up to 3,000,000 shares of undesignated preferred stock and to determine or alter the rights, preferences, privileges and restrictions granted to or imported upon these shares without further vote or action by our stockholders. The issuance of shares of preferred stock may delay or prevent a change in control transaction without further action by our stockholders. As a result, the market price of our common stock may be adversely affected.

In addition, if we issue preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

Provisions in our charter, bylaws and Delaware law may inhibit potential acquisition bids for us, which may prevent holders of our common stock from benefiting from what they believe may be the positive aspects of acquisitions and takeovers.

Provisions of our charter documents and bylaws may make it substantially more difficult for a third party to acquire control of us and may prevent changes in our management, including provisions that:

- prevent stockholders from taking actions by written consent;
- divide the Board of Directors into separate classes with terms of office that are structured to prevent all of the directors from being elected in any one year; and
- set forth procedures for nominating directors and submitting proposals for consideration at stockholders’ meetings.

Provisions of Delaware law may also inhibit potential acquisition bids for us or prevent us from engaging in business combinations. In addition, we have severance agreements with several employees and a change of control severance plan which could require an acquiror to pay a higher price. Either collectively or individually, these provisions may prevent holders of our common stock from benefiting from what they may believe are the positive aspects of acquisitions and takeovers, including the potential realization of a higher rate of return on their investment from these types of transactions.

We do not intend to pay cash dividends on our common stock in the foreseeable future.

We do not anticipate paying cash dividends on our common stock in the foreseeable future. Any payment of cash dividends will depend upon our financial condition, results of operations, capital requirements and other factors and will be at the discretion of our Board of Directors.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

Section 404 of the Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act) requires that we establish and maintain an adequate internal control structure and procedures for financial reporting. Our annual report on Form 10-K must contain an assessment by management of the effectiveness of our internal control over financial reporting and must include disclosure of any material weaknesses in internal control over financial reporting that we have identified. In addition, our independent registered public accounting firm must annually provide an opinion on the effectiveness of our internal control over financial reporting.

The requirements of Section 404 of the Sarbanes-Oxley Act are ongoing and also apply to future years. We expect that our internal control over financial reporting will continue to evolve as our business develops. Although we are committed to continue to improve our internal control processes and we will continue to diligently and vigorously review our internal control over financial reporting in order to ensure compliance with Section 404 requirements, any control system, regardless of how well designed, operated and evaluated, can provide only reasonable, not absolute, assurance that its objectives will be met. Therefore, we cannot be certain that in the future material weaknesses or significant deficiencies will not exist or otherwise be discovered. If material weaknesses or other significant deficiencies occur, these weaknesses or deficiencies could result in misstatements of our results of operations, restatements of our consolidated financial statements, a decline in our stock price, or other material adverse effects on our business, reputation, results of operations, financial condition or liquidity.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We currently lease approximately 41,000 square feet of office space at 200 and 230 Constitution Drive, and 14,500 square feet of office space at 149 Commonwealth Drive, all in Menlo Park, California. The leases for 200 and 230 Constitution Drive and 149 Commonwealth Drive expire in July 2012. We have an option to extend the leases at 200 and 230 Constitution Drive for one additional period of four years. We plan to extend our lease at 200 Constitution Drive, but we do not plan to extend our lease at 230 Constitution Drive. In March 2008, as payment of the total rent due for the premises at 200 and 230 Constitution Drive, we issued 742,158 shares of our common stock to the lessor of those premises. In January 2010 and April 2010, as payment for the total rent due for the premises at 149 Commonwealth Drive, we issued an aggregate of 187,999 shares of our common stock to the lessor of those premises. As a result, we have no cash rental obligation for our existing facilities through July 31, 2012. In February 2012, we entered into a new lease agreement at 149 Commonwealth Drive which expands the current space from 14,500 square feet to approximately 30,000 square feet of office space. Our new lease at 149 Commonwealth Drive includes an option to extend the lease for one additional period of two years. The new lease at 149 Commonwealth Drive commences in July 2012 and expires in July 2014. We believe that our proposed facilities are adequate to meet our requirements for the near term.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is quoted on the Nasdaq Global Select Market under the symbol GERN. The high and low closing sales prices as reported by the Nasdaq Global Select Market of our common stock for each of the quarters in the years ended December 31, 2011 and 2010 were as follows:

	High	Low
Year ended December 31, 2011		
First quarter	$ 5.36	$ 4.70
Second quarter	$ 5.18	$ 3.86
Third quarter	$ 4.39	$ 2.11
Fourth quarter	$ 2.58	$ 1.37
Year ended December 31, 2010		
First quarter	$ 6.57	$ 5.26
Second quarter	$ 6.15	$ 4.94
Third quarter	$ 6.07	$ 4.54
Fourth quarter	$ 6.37	$ 4.72

As of February 22, 2012, there were approximately 743 stockholders of record of our common stock. This number does not include "street name" or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions. We are engaged in a highly dynamic industry, which often results in significant volatility of our common stock price. On February 22, 2012, the closing sales price for our common stock was $1.96 per share.

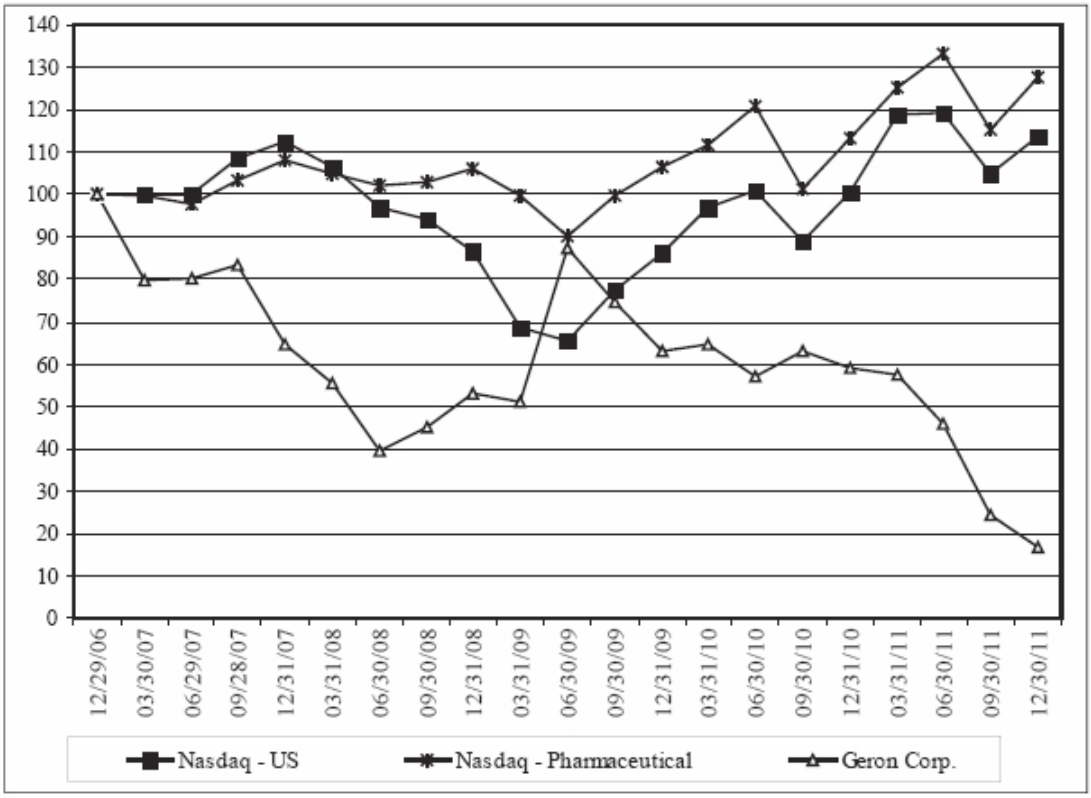
Dividend Policy

We have never paid cash dividends on our capital stock and do not anticipate paying cash dividends in the foreseeable future, but intend to retain our capital resources for reinvestment in our business. Any future determination to pay cash dividends will be at the discretion of the Board of Directors and will be dependent upon our financial condition, results of operations, capital requirements and other factors the Board of Directors deems relevant.

Performance Measurement Comparison [(1)]

The following graph compares total stockholder returns of Geron Corporation for the last five fiscal years beginning December 29, 2006 to two indices: the Nasdaq CRSP Total Return Index for the Nasdaq Stock Market-U.S. Companies (the Nasdaq-US) and the Nasdaq Pharmaceutical Index (the Nasdaq-Pharmaceutical). The total return for our stock and for each index assumes the reinvestment of dividends, although we have never declared dividends on Geron stock, and is based on the returns of the component companies weighted according to their capitalizations as of the end of each quarterly period. The Nasdaq-US tracks the aggregate price performance of equity securities of U.S. companies traded on the Nasdaq Global Select Market (NGSM). The Nasdaq-Pharmaceutical, which is calculated and supplied by Nasdaq, represents pharmaceutical companies, including biotechnology companies, trading on Nasdaq under the Standard Industrial Classification (SIC) Code No. 283 Drugs main category (2833 — Medicinals & Botanicals, 2834 — Pharmaceutical Preparations, 2835 — Diagnostic Substances, 2836 — Biological Products). Geron common stock trades on the NGSM and is a component of both the Nasdaq-US and the Nasdaq-Pharmaceutical.

Comparison of Five Year Cumulative Total Return on Investment Among
Geron Corporation, the Nasdaq-US Index and the Nasdaq-Pharmaceutical Index(2)



(1) This Section is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

(2) Shows the cumulative total return on investment assuming an investment of $100 in each of Geron, the Nasdaq-US and the Nasdaq-Pharmaceutical on December 29, 2006. The cumulative total return on Geron stock has been computed based on a price of $8.78 per share, the price at which Geron's shares closed on December 29, 2006.

Recent Sales of Unregistered Securities

Pursuant to our Loan Agreement with the California Institute for Regenerative Medicine (CIRM), we were obligated to issue to CIRM a warrant to purchase our common stock in connection with each disbursement thereunder. In connection with the last disbursement received from CIRM on November 1, 2011, we issued to CIRM a warrant to purchase 461,382 shares of our common stock at an exercise price of $2.32 per share, the average closing sales prices of our common stock as reported by the Nasdaq Global Select Market for the ten consecutive trading days immediately preceding the disbursement. As of December 31, 2011, we have issued to CIRM warrants to purchase an aggregate of 999,275 shares of our common stock, and we have no further obligations to issue any additional warrants to CIRM. The issuances of warrants to CIRM were made in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933, as amended, and Rule 506 promulgated thereunder.

ITEM 6. SELECTED FINANCIAL DATA

	Year Ended December 31,				
	2011	2010	2009	2008	2007
	(In thousands, except share and per share data)				
Consolidated Statements of Operations Data:					
Revenues from collaborative agreements	$ 300	$ 925	$ 450	$ 294	$ 672
License fees and royalties	2,138	2,638	1,276	2,509	6,950
Total revenues	2,438	3,563	1,726	2,803	7,622
Operating expenses:					
Research and development	69,316	61,687	57,617	53,664	54,624
Acquired in-process research and development [1]	—	35,000	—	—	—
Restructuring charges [2]	5,449	—	—	—	—
General and administrative	23,789	18,043	14,343	16,183	15,837
Total operating expenses	98,554	114,730	71,960	69,847	70,461
Loss from operations	(96,116)	(111,167)	(70,234)	(67,044)	(62,839)
Unrealized gain on fair value of derivatives	643	190	157	418	15,453
Interest and other income	1,024	2,045	1,374	5,542	10,791
Losses recognized under equity method investment	(503)	(2,347)	(1,338)	(844)	—
Losses recognized from debt extinguishment [3]	(1,664)	—	—	—	—
Interest and other expense	(237)	(98)	(143)	(93)	(102)
Net loss	(96,853)	(111,377)	(70,184)	(62,021)	(36,697)
Deemed dividend on derivatives [4]	—	—	(190)	—	(9,081)
Net loss applicable to common stockholders	$ (96,853)	$ (111,377)	$ (70,374)	$ (62,021)	$ (45,778)
Basic and diluted net loss per share applicable to common stockholders:					
Net loss per share applicable to common stockholders	$ (0.78)	$ (1.14)	$ (0.80)	$ (0.79)	$ (0.62)
Shares used in computing net loss per share applicable to common stockholders	124,506,763	97,601,520	88,078,557	78,187,795	74,206,249

(1) On December 6, 2010, we and Angiochem, Inc. (Angiochem) entered into an Exclusive License Agreement that provides us with a worldwide exclusive license, with the right to grant sublicenses, to Angiochem's proprietary peptide technology that facilitates the transfer of anti-cancer compounds across the BBB to be used with tubulin disassembly inhibitors to enable the treatment of primary brain cancers and cancers that have metastasized to the brain. As consideration for the license rights, we paid Angiochem an upfront payment of $7.5 million in cash and issued to Angiochem 5,261,144 shares of common stock on January 5, 2011.

We acquired the license rights for Angiochem's proprietary receptor-targeting peptides for the clinical development of ANG1005 (now GRN1005), a novel taxane derivative for which Angiochem has performed two Phase 1 clinical trials in brain metastases and glioblastoma multiforme. We currently are conducting two Phase 2 clinical trials of GRN1005. Further clinical and process development of GRN1005 is required before any viable commercial application can be identified or utilized. We have concluded that this technology has no alternative future use, and accordingly, expensed the upfront payment of $35.0 million as acquired in-process research and development at the time of acquisition. See Note 11 on License Agreements in Notes to Consolidated Financial Statements of this Form 10-K.

(2) On November 14, 2011, we announced the decision to focus exclusively on the development of our oncology programs and consequently, we discontinued further development of our stem cell programs. With this decision, a total of 66 full-time positions were eliminated, representing approximately 38% of our workforce. In connection with the restructuring, we recorded aggregate restructuring charges of approximately $5.4 million, of which $4.6 million related to one-time termination benefits and $874,000 related to write-downs of excess lab equipment and leasehold improvements and other charges. See Note 7 on Restructuring in Notes to Consolidated Financial Statements of this Form 10-K.

(3) On November 14, 2011, we repaid the outstanding principal balance, including accrued interest, or Loan Balance, to the California Institute for Regenerative Medicine (CIRM), representing our entire Loan Balance under our Loan Agreement from CIRM. In addition, we relinquished our right to future disbursements from CIRM under the Loan Agreement and gave notice of termination. With the repayment of the entire outstanding Loan Balance, we have no further amounts owed to CIRM. In connection with the early termination of the CIRM Loan Agreement, we recognized a debt extinguishment charge of $1.7 million for the unamortized debt discount associated with the loan. See Note 8 on Long-Term Debt in Notes to Consolidated Financial Statements of this Form 10-K.

(4) In April 2009, in connection with our continued collaboration with an investor and licensee and the data received under the collaboration relevant to our therapeutic programs, we modified the terms of certain outstanding warrants held by this investor by extending the exercise term and reducing the exercise price. The exercise term of warrants to purchase 200,000 shares of common stock was extended to March 9, 2012 from March 9, 2010 and the exercise price was modified to $17.50 per share from $67.09 per share. The exercise term of warrants to purchase 100,000 shares of common stock was extended to March 9, 2012 from March 9, 2010 and the exercise price was unchanged at $12.50 per share. In connection with the modifications, we recognized a deemed dividend of approximately $190,000 for the incremental fair value of the modified warrants.

In February 2007, in exchange for the exercise of certain warrants, we issued new warrants to the same institutional investors. The aggregate fair value of $3.7 million for the new warrants was recognized as a deemed dividend. In December 2007, we modified the terms of certain outstanding warrants by extending the exercise term and reducing the exercise price. In connection with the modifications, we received $3.6 million in cash consideration from the institutional investors holding the outstanding warrants. We recognized a deemed dividend of $5.4 million for the incremental fair value of the modified warrants, net of the cash consideration received from the institutional investors for the modifications.

	December 31,				
	2011	2010	2009	2008	2007
	(In thousands)				
Consolidated Balance Sheet Data:					
Cash, restricted cash, cash equivalents and marketable securities	$ 154,239	$ 221,274	$ 167,070	$ 163,655	$ 208,444
Working capital	112,181	154,168	110,324	160,535	200,655
Total assets	160,047	233,584	180,382	176,218	218,896
Long-term obligations	—	—	—	—	427
Accumulated deficit	(785,503)	(688,650)	(577,267)	(506,893)	(444,872)
Total stockholders' equity	146,603	192,735	172,577	168,455	205,674

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following discussion should be read in conjunction with the audited consolidated financial statements and notes thereto included in Part II, Item 8 of this Annual Report on Form 10-K.

Geron is a biopharmaceutical company developing first-in-class therapies for cancer. Imetelstat, a telomerase inhibitor, is currently being evaluated in four Phase 2 clinical trials for the following indications: metastatic breast cancer, advanced non-small cell lung cancer, essential thrombocythemia and multiple myeloma. GRN1005, an LRP-directed peptide-drug conjugate, is being evaluated in two Phase 2 clinical trials: brain metastases arising from breast cancer and brain metastases arising from non-small cell lung cancer.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Note 1 of Notes to Consolidated Financial Statements describes the significant accounting policies used in the preparation of the consolidated financial statements. Certain of these significant accounting policies are considered to be critical accounting policies, as defined below.

A critical accounting policy is defined as one that is both material to the presentation of our financial statements and requires management to make difficult, subjective or complex judgments that could have a material effect on our financial condition and results of operations. Specifically, critical accounting estimates have the following attributes: (i) we are required to make assumptions about matters that are highly uncertain at the time of the estimate; and (ii) different estimates we could reasonably have used, or changes in the estimate that are reasonably likely to occur, would have a material effect on our financial condition or results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. These changes have historically been minor and have been included in the consolidated financial statements as soon as they became known. Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that our consolidated financial statements are fairly stated in accordance with accounting principles generally accepted in the United States, and meaningfully present our financial condition and results of operations.

We believe the following critical accounting policies reflect our more significant estimates and assumptions used in the preparation of our consolidated financial statements:

Revenue Recognition

Since our inception, a substantial portion of our revenues has been generated from research and licensing agreements. Revenue under such agreements typically includes upfront signing or license fees, cost reimbursements, milestone payments and royalties on future product sales.

We recognize nonrefundable signing, license or non-exclusive option fees as revenue when rights to use the intellectual property related to the license have been delivered and over the term of the agreement if we have continuing performance obligations. We recognize milestone payments, which are subject to substantive contingencies, upon completion of specified milestones, which represents the culmination of an earnings process, according to contract terms. Royalties are generally recognized as revenue upon the receipt of the related royalty payment. We recognize cost reimbursement revenue under collaborative agreements as the related research and development costs for services are rendered. We recognize related party revenue under collaborative agreements as the related party research and development costs for services are rendered and when the source of funds has not been derived from our contributions to the related party. Deferred revenue represents the portion of research or license payments received which has not been earned. When payments are received in equity securities, we do not recognize any revenue unless such securities are determined to be realizable in cash.

We estimate the projected future term of license agreements over which we recognize revenue. Our estimates are based on contractual terms, historical experience and general industry practice. Revisions in the estimated terms of these license agreements have the effect of increasing or decreasing license fee revenue in the period of revision. As of December 31, 2011, no revisions to the estimated future terms of license agreements have been made and we do not expect revisions to the currently active agreements in the future.

Valuation of Stock-Based Compensation

We measure and recognize compensation expense for all stock-based awards to our employees and directors, including stock options, restricted stock awards and employee stock purchases related to our Employee Stock Purchase Plan (ESPP) based on estimated fair values. We use the Black Scholes option-pricing valuation model to estimate the grant-date fair value of our stock options and employee stock plan purchases. Option-pricing model assumptions such as expected volatility, risk-free interest rate and expected term impact the fair value estimate.

Further, the estimated forfeiture rate impacts the amount of aggregate compensation recognized during the period. The fair value of stock options and employee stock purchases is amortized over the vesting period of the awards using a straight-line method.

Expected volatilities are based on historical volatilities of our stock since traded options on Geron stock do not correspond to option terms and trading volume of options is limited. The expected term of options represents the period of time that options granted are expected to be outstanding. In deriving this assumption, we reviewed actual historical exercise and cancellation data and the remaining outstanding options not yet exercised or cancelled. The expected term of employees' purchase rights, under our ESPP, is equal to the purchase period. The risk-free interest rate is based on the U.S. Zero Coupon Treasury Strip Yields for the expected term in effect on the date of grant. Forfeiture rate was estimated based on historical experience and will be adjusted over the requisite service period based on the extent to which actual forfeitures differ, or are expected to differ, from their estimate.

We grant restricted stock awards to employees and non-employee directors with three types of vesting schedules: (i) service-based, (ii) performance-based or (iii) market-based. Service-based restricted stock awards (RSAs) generally vest annually over four years. Performance-based stock awards (PSAs) vest only upon achievement of discrete strategic goals within a specified performance period, generally three years. Market-based stock awards (MSAs) vest only upon achievement of certain market price thresholds of our common stock within a specified performance period, generally three years.

The fair value for service-based RSAs is determined using the fair value of our common stock on the date of grant and reduced for estimated forfeitures, as applicable. The fair value is amortized as compensation expense over the requisite service period of the award on a straight-line basis.

The fair value for PSAs is determined using the fair value of our common stock on the date of grant and reduced for estimated forfeitures, as applicable. Compensation expense for PSAs is recognized over the period from the date the performance condition is determined to be probable of occurring through the date the applicable condition is expected to be met. If the performance condition is not considered probable of being achieved, no expense is recognized until such time as the performance condition is considered probable of being met, if ever. We evaluate whether performance conditions are probable of occurring, as well as the expected performance period, on a quarterly basis.

The fair value for MSAs is determined using a lattice valuation model with a Monte Carlo simulation. The model takes into consideration the historical volatility of our stock and the risk-free interest rate at the date of grant. In addition, the model is used to estimate the derived service period for the MSAs. The derived service period is the estimated period of time that would be required to satisfy the market condition, assuming the market condition will be satisfied. Compensation expense is recognized over the derived service period for the MSAs using the straight-line method, but is accelerated if the market condition is achieved earlier than estimated.

We annually evaluate the assumptions used in estimating fair values of our stock-based awards by reviewing current trends in comparison to historical data. We have not revised the methods by which we derive assumptions in order to estimate fair values of our stock-based awards. If factors change and we employ different assumptions in future periods, the stock-based compensation expense that we record for awards to employees and directors may differ significantly from what we have recorded in the current period.

Non-cash compensation expense recognized for stock-based awards to employees and directors was $15.2 million, $13.7 million and $10.6 million for the years ended December 31, 2011, 2010 and 2009, respectively. As of December 31, 2011, total compensation cost related to unvested stock awards not yet recognized, net of estimated forfeitures and assuming no probability of achievement for outstanding PSAs, was $13.1 million, which is expected to be recognized over the next 34 months on a weighted-average basis.

For our non-employee stock-based awards, the measurement date on which the fair value of the stock-based award is calculated is equal to the earlier of (i) the date at which a commitment for performance by the counterparty to earn the equity instrument is reached or (ii) the date at which the counterparty's performance is complete. We recognized non-cash stock-based compensation expense of $114,000, $463,000 and $190,000 for the fair value of the vested portion of non-employee options, restricted stock awards and warrants in our consolidated statements of operations for the years ended December 31, 2011, 2010 and 2009, respectively.

Fair Value of Financial Instruments

We categorize assets and liabilities recorded at fair value on our consolidated balance sheet based upon the level of judgment associated with inputs used to measure their fair value. The categories are as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Inputs (other than quoted market prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 – Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

A financial instrument's categorization is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for instruments measured at fair value on our consolidated balance sheet, including the category for such instruments.

We classify inputs to derive fair values for marketable debt securities available-for-sale and marketable investments in licensees as Level 1 and 2. Instruments classified as Level 1 include money market funds and certificates of deposit, representing 9% of total financial assets measured at fair value as of December 31, 2011. Instruments classified as Level 2 include U.S. government-sponsored enterprise securities, commercial paper and corporate notes, representing 91% of total financial assets measured at fair value as of December 31, 2011. The price for each security at the measurement date is derived from various sources. Periodically, we assess the reasonableness of these sourced prices by comparing them to the prices provided by our portfolio managers from broker quotes as well as reviewing the pricing methodologies used by our portfolio managers. Historically, we have not experienced significant deviation between the sourced prices and our portfolio manager's prices.

Warrants to purchase common stock and non-employee options are normally traded less actively, have trade activity that is one way, and/or traded in less-developed markets and are therefore valued based upon models with significant unobservable market parameters, resulting in Level 3 categorization. The fair value for these instruments is calculated using the Black Scholes option-pricing model. The model's inputs reflect assumptions that market participants would use in pricing the instrument in a current period transaction. Inputs to the model include stock volatility, dividend yields, expected term of the derivatives and risk-free interest rates. See the following discussion, "Fair Value of Derivatives," for information on the derivation of inputs to the model. Changes to the model's inputs are not changes to valuation methodologies, but instead reflect direct or indirect impacts from changes in market conditions. Accordingly, results from the valuation model in one period may not be indicative of future period measurements. Instruments classified as Level 3 include derivative liabilities, representing all of total financial liabilities measured at fair value as of December 31, 2011.

For a further discussion regarding fair value measurements, see Note 2 on Fair Value Measurements in Notes to Consolidated Financial Statements of this Form 10-K.

Clinical Trial Accruals

Substantial portions of our preclinical studies and all of our clinical trials have been performed by third-party contract research organizations, or CROs, and other vendors. We accrue expenses for preclinical studies performed by our vendors based on certain estimates over the term of the service period and adjust our estimates as required. We accrue expenses for clinical trial activities performed by CROs based upon the estimated amount of work completed on each study. For clinical trial expenses, the significant factors used in estimating accruals include the number of patients enrolled, the number of active clinical sites, and the duration for which the patients will be enrolled in the study. We monitor patient enrollment levels and related activities to the extent possible through internal reviews, review of contractual terms and correspondence with CROs. We base our estimates on the best information available at the time. However, additional information may become available to us which will allow us to make a more accurate estimate in future periods. In this event, we may be required to record adjustments to research and development expenses in future periods when the actual level of activity becomes more certain.

Fair Value of Derivatives

For warrants and non-employee options classified as assets or liabilities, the fair value of these instruments is recorded on the consolidated balance sheet at inception of such classification and marked to fair value at each financial reporting date. The change in fair value of the warrants and non-employee options is recorded in the consolidated statements of operations as an unrealized gain (loss) on fair value of derivatives. The warrants and non-employee options continue to be reported as an asset or liability until such time as the instruments are exercised or expire or are otherwise modified to remove the provisions which require this treatment, at which time these instruments are marked to fair value and reclassified from assets or liabilities to stockholders' equity. For warrants and non-employee options classified as permanent equity, the fair value of the warrants and non-employee options is recorded in stockholders' equity and no further adjustments are made.

Fair value of warrants and non-employee options is estimated using the Black Scholes option-pricing model. Use of this model requires us to make assumptions regarding stock volatility, dividend yields, expected term of the warrants and non-employee options and risk-free interest rates. Expected volatilities are based on historical volatilities of our stock. The expected term of warrants and non-employee options represent the remaining contractual term of the instruments. The risk-free interest rate is based on the U.S. Zero Coupon Treasury Strip Yields for the remaining term of the instrument. If factors change and we employ different assumptions in future periods, the fair value of these warrants and non-employee options reflected as of each balance sheet date and the resulting change in fair value that we record may differ significantly from what we have recorded in previous periods. As of December 31, 2011, we have not revised the method in which we derive assumptions in order to estimate fair values of warrants and non-employee options classified as assets or liabilities, and we do not expect revisions in the future.

Consolidation and Accounting for Variable Interest Entities (VIEs)

Under applicable accounting guidance, an entity is considered to be a VIE if it has one of the following characteristics: (i) the entity is thinly capitalized; (ii) residual equity holders do not control the entity; (iii) equity holders are shielded from economic losses or do not participate fully in the entity's residual economics; or (iv) the entity was established with non-substantive voting. Investors that finance a VIE through debt or equity interests are variable interest holders in the entity. Since January 1, 2010, the variable interest holder, if any, exposed to the majority of the risks and rewards associated with a VIE is considered the VIE's primary beneficiary and must consolidate the entity.

We must evaluate our involvement in a VIE and understand the purpose and design of the entity, the role we have in the entity's design and our involvement in its ongoing activities. We then must evaluate which activities most significantly impact the economic performance of the VIE and who has the power to direct such activities. This evaluation involves a variety of qualitative and quantitative assumptions.

When we determine that we have the power to direct the activities that most significantly impact a VIE's economic performance, we then must evaluate our economic interests, if any, and determine whether we could absorb losses or receive benefits that could potentially be significant to the VIE. When evaluating whether we have an obligation to absorb losses that could be potentially significant, we consider the maximum exposure to such loss without consideration of probability. Such obligations could be in various forms, including but not limited to, debt and equity investments, guarantees, liquidity agreements and certain derivative contracts.

As certain events occur, we reconsider which parties will absorb variability and whether we have become or are no longer the primary beneficiary. The consolidation status of a VIE may change as a result of such reconsideration events, which occur when VIEs acquire additional assets, issue new variable interests or enter into new or modified contractual arrangements. A reconsideration event may also occur when we acquire new or additional interests in a VIE.

For a further discussion regarding VIEs, see Note 3 on Joint Venture and Related Party Transactions in Notes to Consolidated Financial Statements of this Form 10-K.

Results of Operations

Our results of operations have fluctuated from period to period and may continue to fluctuate in the future, based upon the progress of our research and development efforts and variations in the level of expenses related to developmental efforts during any given period. Results of operations for any period may be unrelated to results of operations for any other period. In addition, historical results should not be viewed as indicative of future operating results. We are subject to risks common to companies in our industry and at our stage of development, including risks inherent in our research and development efforts, reliance upon our collaborative partners, enforcement of our patent and proprietary rights, need for future capital, potential competition and uncertainty of preclinical and clinical trial results or regulatory approvals or clearances. In order for a product candidate to be commercialized based on our research, we and our collaborators must conduct preclinical tests and clinical trials, demonstrate the efficacy and safety of our product candidates, obtain regulatory approvals or clearances and enter into manufacturing, distribution and marketing arrangements, as well as obtain market acceptance. We do not expect to receive revenues or royalties based on therapeutic products for a period of years, if at all.

Revenues

We recognized $300,000 of revenues from collaborative agreements in 2011 compared to $925,000 in 2010 and $450,000 in 2009. Revenues in 2011, 2010 and 2009 primarily reflected revenue recognized under our collaboration with GE Healthcare UK, Ltd. (GE Healthcare). The collaboration with GE Healthcare began in July 2009 and concluded in June 2011.

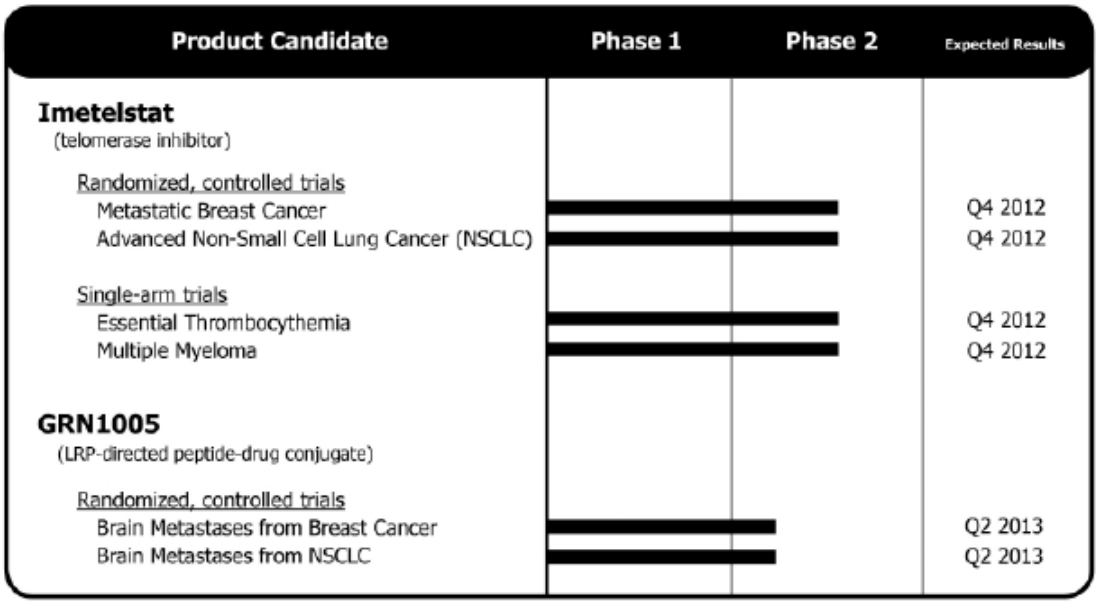
We have entered into license and option agreements with companies involved with oncology, diagnostics, research tools, agriculture and biologics production. In each of these agreements, we have granted certain rights to our technologies. In connection with the agreements, we are entitled to receive license fees, option fees, milestone payments and royalties on future product sales, or any combination thereof. We recognized license fee revenues of $1.3 million, $2.0 million and $1.1 million in 2011, 2010 and 2009, respectively, related to our various agreements. Current revenues may not be predictive of future revenues.

We recognized royalty revenues of $855,000, $642,000 and $160,000 in 2011, 2010 and 2009, respectively, on product sales of telomerase detection and telomere measurement kits to the research-use-only market, cell-based research products and nutritional products. License and royalty revenues are dependent upon additional agreements being signed and future product sales.

Research and Development Expenses

Research and development expenses were $69.3 million, $61.7 million and $57.6 million for the years ended December 31, 2011, 2010 and 2009, respectively. The increase in 2011 compared to 2010 was primarily the net result of increased clinical trial costs of $6.3 million for the enrollment of four Phase 2 clinical trials of imetelstat and the Phase 1 clinical trial of GRNOPC1 and higher clinical drug product purchases and manufacturing costs of $3.2 million related to imetelstat and GRN1005, partially offset by reduced costs for scientific supplies of $1.5 million primarily resulting from the discontinued development of our stem cell programs and lower non-cash compensation expense in connection with equity-based awards of $826,000. The increase in 2010 compared to 2009 was primarily the net result of higher clinical drug product purchases of $2.9 million for imetelstat, increased clinical trial costs of $2.0 million as a result of opening four Phase 2 clinical trials of imetelstat and reinitiating the Phase 1 clinical trial of GRNOPC1 and higher non-cash compensation expense in connection with equity-based awards of $1.3 million, partially offset by reduced contract manufacturing costs of $2.3 million primarily resulting from completion of patient enrollment in our Phase 2 clinical trial of GRNVAC1. Overall, we expect research and development expenses to decrease as a result of our decision to focus exclusively on the development of our oncology programs and discontinue further development of our stem cell programs.

Using innovative technologies and unique approaches, we are developing novel therapeutics to treat cancer. The following table briefly describes our current clinical development product candidates and their stage of development as of December 31, 2011:



Imetelstat, a potent and specific inhibitor of telomerase, is the product of Geron's internal research and development capability, including pioneering work in telomerase and its role in cell proliferation. Expression and activity of telomerase are increased in bulk tumor cells and cancer progenitor cells in a broad range of cancer types. We are evaluating imetelstat in two randomized, controlled Phase 2 trials in solid tumors, one in metastatic breast cancer and the other in advanced non-small cell lung cancer (NSCLC). Both are diseases in which the prognosis for patients remains poor, and there is evidence that disease progression, relapse and metastasis are driven in part by cancer progenitor cells. We are also studying imetelstat in two single-arm Phase 2 trials in hematologic (blood-based) cancers, one in essential thrombocythemia and the other in multiple myeloma, where the effect of the drug on the malignant progenitor cells responsible for the disease can be more directly observed than is the case in solid tumors. We expect to have top-line data from our Phase 2 trials of imetelstat by the end of 2012.

GRN1005 is a peptide-drug conjugate designed to utilize a physiologic molecular transport mechanism known as lipoprotein receptor-related protein-1, or LRP-1, to deliver paclitaxel across the blood-brain barrier (BBB) and into tumors in the brain. The BBB prevents most drugs, including oncology drugs, from reaching the brain at levels that are clinically effective. GRN1005 is designed to overcome this challenge by linking paclitaxel to a proprietary peptide, Angiopep-2, that is actively transported across the BBB by LRP-1. Angiopep-2 also facilitates uptake of the conjugate into tumor cells inside and outside the brain. The bond linking Angiopep-2 peptide and paclitaxel is cleaved when it is taken up into cells, including tumor cells both inside and outside the brain, releasing active paclitaxel. GRN1005 was in-licensed from Angiochem in 2010 on an exclusive basis under a conventional milestone and royalty structure. We are conducting two single-arm Phase 2 trials, one in patients with brain metastases associated with breast cancer and the other in brain metastases associated with non-small cell lung cancer. We selected these indications because in Phase 1 trials clinical activity was observed in patients with these tumor types. We expect to have top-line data from these two Phase 2 trials of GRN1005 by the end of the second quarter of 2013.

In November 2011, we announced that we will exclusively focus on our oncology programs and consequently, we discontinued development of our stem cell programs. We continue to accrue data on the patients already enrolled in the Phase 1 trial of GRNOPC1 for spinal cord injury. We intend to divest our stem cell programs in 2012, which include GRNOPC1 for spinal cord injury, currently in a Phase 1 clinical trial, as well as programs in cardiomyocytes for heart disease, pancreatic islet cells for diabetes, dendritic cells as an immunotherapy vehicle and chondrocytes for cartilage repair.

Research and development expenses incurred under our programs were as follows (in thousands):

	Year Ended December 31,		
	2011	2010	2009
Oncology	$ 41,001	$ 30,603	$ 29,543
hESC Therapies	28,315	31,084	28,074
Total	$ 69,316	$ 61,687	$ 57,617

At this time, we cannot provide reliable estimates of how much time or investment will be necessary to commercialize products from the programs currently in progress. For a more complete discussion of the risks and uncertainties associated with completing development of our product candidates, see the sub-sections titled “Risks Related to Our Business” and “Risks Related to Clinical and Commercialization Activities” in Part I, Item 1A entitled “Risk Factors” and elsewhere in this Form 10-K.

Acquired In-Process Research and Development

As consideration for the license rights to Angiochem’s proprietary peptide technology for the clinical development of ANG1005 (now GRN1005), we paid Angiochem an upfront payment of $7.5 million in cash in December 2010 and on January 5, 2011, issued 5,261,144 shares of common stock to Angiochem as payment of our obligation to issue $27.5 million in stock.

Further clinical and process development of GRN1005 is required before any viable commercial application can be identified or utilized. We have concluded that this technology has no alternative future use, and accordingly, expensed the total upfront payment of $35.0 million in connection with the license agreement as acquired in-process research and development expense at the time of acquisition. See Note 11 on License Agreements in Notes to Consolidated Financial Statements of this Form 10-K for further discussion of the Exclusive License Agreement with Angiochem.

Restructuring Charges

On November 14, 2011, we announced the decision to focus exclusively on the development of our oncology programs and consequently, we discontinued further development of our stem cell programs. With this decision, a total of 66 full-time positions were eliminated, of which as of February 1, 2012, 14 employees are continuing to provide services and are discontinuing employment with us through various dates in the first half of 2012. In connection with the restructuring, we recorded aggregate restructuring charges of approximately $5.4 million, of which $4.6 million related to one-time termination benefits, including $174,000 of non-cash stock-based compensation expense relating to the extension of the post-termination exercise period for certain stock options previously granted to terminated employees to June 30, 2013 and December 31, 2013, and $874,000 related to write-downs of excess lab equipment and leasehold improvements and other charges.

We may incur additional charges as a result of the restructuring as we exit one of the three buildings in which we lease space in Menlo Park, California, which will be recorded as they are determined. We also plan to sell any excess equipment, the net proceeds of which may offset some of these future charges. We expect the restructuring will result in aggregate cash expenditures of approximately $4.4 million, of which $671,000 related to one-time termination benefits was paid as of December 31, 2011 and approximately $3.7 million related to one-time termination benefits is expected to be paid during 2012. Without the restructuring, we estimated that we would have incurred approximately $25.0 million in research and development expenses in connection with our stem cell programs in 2012. See Note 7 on Restructuring in Notes to Consolidated Financial Statements of this Form 10-K for further discussion of the restructuring charges.

General and Administrative Expenses

General and administrative expenses were $23.8 million, $18.0 million and $14.3 million for the years ended December 31, 2011, 2010 and 2009, respectively. The increase in 2011 from 2010 was primarily the result of higher non-cash stock-based compensation expense of $2.2 million related to stock options and restricted stock awards to employees, severance expenses of $1.6 million related to separation agreements executed with our former Chief Executive Officer (CEO) and Chief Financial Officer (CFO) and higher corporate legal and consulting fees of $1.0 million. The increase in 2010 from 2009 was primarily due to higher non-cash stock-based compensation expense of $1.9 million related to stock options and restricted stock awards to employees, increased consulting and legal costs of $916,000 and higher costs associated with managing our intellectual property portfolio of $405,000.

Unrealized Gain on Fair Value of Derivatives

Unrealized gain on fair value of derivatives reflects a non-cash adjustment for changes in fair value of warrants to purchase common stock and options held by non-employees that are classified as current liabilities. Derivatives classified as assets or liabilities are marked to fair value at each financial reporting date with any resulting unrealized gain (loss) recorded in the consolidated statements of operations. The derivatives continue to be reported as an asset or liability until such time as the instruments are exercised or expire or are otherwise modified to remove the provisions which require them to be recorded as assets or liabilities, at which time these instruments are marked to fair value and reclassified from assets or liabilities to stockholders' equity. We incurred unrealized gains of $643,000, $190,000 and $157,000 for the years ended December 31, 2011, 2010 and 2009, respectively. The unrealized gains on derivatives for 2011, 2010 and 2009 primarily reflect reduced fair values of derivative liabilities resulting from shortening of their contractual terms, decreases in the market value of our stock and changes in other inputs factored into the estimate of their fair value such as the volatility of our stock. See Note 2 on Fair Value Measurements in Notes to Consolidated Financial Statements of this Form 10-K for further discussion of the fair value of derivatives.

Interest and Other Income

Interest income was $1.0 million, $818,000 and $1.3 million for the years ended December 31, 2011, 2010 and 2009, respectively. The increase in interest income in 2011 compared to 2010 was due to higher cash and investment balances for the majority of 2011 as a result of the receipt of $93.7 million in net proceeds in December 2010 from an underwritten public offering of our common stock. The decrease in interest income in 2010 compared to 2009 was primarily the result of lower cash and investment balances for the majority of 2010. Interest earned in future periods will depend on the size of our securities portfolio and prevailing interest rates.

Other income was zero, $1.2 million and $98,000 for the years ended December 31, 2011, 2010 and 2009, respectively. In November 2010, Geron received a total of $1.2 million in grants under the Qualifying Therapeutic Discovery Project (QTDP) program. The maximum grant amount was awarded to each of the five Geron programs that were eligible for QTDP funding and included oncology and human embryonic stem cell projects. Other income in 2009 primarily represented tax refunds for certain research tax credits under the Housing Assistance Tax Act of 2008 resulting from our election to forego bonus depreciation with respect to investments in bonus eligible property during 2009.

Losses Recognized Under Equity Method Investment

We own 40% of ViaGen, Inc. (ViaGen), a licensee with in-house breeding services and expertise in advanced reproductive technologies for animal cloning. In September 2008, we provided a loan of $1.5 million to ViaGen in connection with ViaGen's acquisition of an interest in an unrelated company. The proceeds of the loan did not fund prior ViaGen losses and represented additional financial support to ViaGen.

In September 2009, we provided $3.6 million as a new equity investment in ViaGen and also received $1.6 million from ViaGen in repayment of our loan, resulting in a net investment of $2.0 million. The new investment in 2009 did not fund prior ViaGen losses and represented additional financial support to ViaGen.

In November 2010, we provided a new loan of $1.5 million to ViaGen to fund its operations. The loan represented additional financial support to ViaGen and funded approximately $900,000 in prior losses of the company which has been included in losses recognized under equity method investment in 2010.

In accordance with the equity method of accounting, we recognized losses of $503,000, $1.4 million and $1.3 million for 2011, 2010 and 2009, respectively, for our proportionate share of ViaGen's losses since providing the loan in September 2008. As of June 30, 2011, we suspended the equity method of accounting for ViaGen since our proportionate share of net losses exceeded the value of our investment.

Since ViaGen does not have sufficient equity to finance its own activities without additional subordinated financial support, it meets the definition of a variable interest entity (VIE). By providing financial support to ViaGen, we are a variable interest holder. However, the party holding the majority of the equity and debt of ViaGen maintains controlling financial interest over the company and we do not have the power to direct the activities of ViaGen. Accordingly, we are not the primary beneficiary and have not included ViaGen's financial information with our consolidated results. See Note 3 on Joint Venture and Related Party Transactions in Notes to Consolidated Financial Statements of this Form 10-K for further discussion of our investment in ViaGen.

Losses Recognized from Debt Extinguishment

On November 14, 2011, we repaid the outstanding principal balance, including accrued interest, or Loan Balance, to the California Institute for Regenerative Medicine (CIRM), representing our entire Loan Balance under our Loan Agreement from CIRM. In addition, we relinquished our right to future disbursements from CIRM under the Loan Agreement and gave notice of termination. With the repayment of the entire outstanding Loan Balance, we have no further amounts owed to CIRM. In connection with the early termination of the CIRM Loan Agreement, we recognized a debt extinguishment charge of $1.7 million for the unamortized debt discount associated with the loan. See Note 8 on Long-Term Debt in Notes to Consolidated Financial Statements of this Form 10-K for a further discussion of the CIRM Loan.

Interest and Other Expense

Interest and other expense was $237,000, $98,000 and $143,000 for the years ended December 31, 2011, 2010 and 2009, respectively. The increase in interest and other expense for 2011 compared to 2010 primarily reflects $88,000 in interest expense resulting from the amortization of the debt discount and accrual of interest on the CIRM loan and increased bank charges as a result of higher cash and investment balances for the majority of 2011. The decrease in interest and other expense for 2010 compared to 2009 was primarily due to reduced bank charges as a result of lower cash and investment balances for the majority of 2010.

Deemed Dividend on Derivatives

In April 2009, we modified the terms of certain outstanding warrants held by an investor by extending the exercise term and, for certain of these warrants, reducing the exercise price. In connection with the modifications, we recognized a deemed dividend of approximately $190,000 for the incremental fair value of the modified warrants, as calculated using the Black Scholes option-pricing model as of the modification date.

Net Loss Applicable to Common Stockholders

Net loss applicable to common stockholders was $96.9 million, $111.4 million and $70.4 million for the years ended December 31, 2011, 2010 and 2009, respectively. Overall net loss for 2011 decreased compared to 2010 primarily due to recognition of acquired in-process research and development expense related to the in-license from Angiochem in December 2010, partially offset by increased research and development expenses resulting from costs incurred to support the initiation and enrollment of our Phase 2 clinical trials of imetelstat and GRN1005 and Phase 1 clinical trial of GRNOPC1, higher general and administrative expenses related to non-cash stock-based compensation expense and severance expense for our former CEO and CFO and charges incurred for the November 2011 restructuring and early termination of the CIRM Loan Agreement. Overall net loss for 2010 increased compared to 2009 primarily due to recognition of acquired in-process research and development expense related to the in-license from Angiochem in December 2010 and increased research and development expenses resulting from costs incurred to support the initiation and enrollment of our Phase 2 clinical trials of imetelstat and Phase 1 clinical trial of GRNOPC1.

Liquidity and Capital Resources

Cash, restricted cash, cash equivalents and marketable securities at December 31, 2011 were $154.2 million, compared to $221.3 million at December 31, 2010 and $167.1 million at December 31, 2009. We have an investment policy to invest these funds in liquid, investment grade securities, such as interest-bearing money market funds, certificates of deposit, municipal securities, U.S. government and agency securities, corporate notes, commercial paper and asset-backed securities. Our investment portfolio does not contain securities with exposure to sub-prime mortgages, collateralized debt obligations or auction rate securities and, to date, we have not recognized an other-than-temporary impairment on our marketable securities or any significant changes in aggregate fair value that would impact our cash resources or liquidity. To date, we have not experienced lack of access to our invested cash and cash equivalents; however, we cannot provide assurances that access to our invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets. The decrease in cash, restricted cash, cash equivalents and marketable securities in 2011 was the result of cash being used for operations. The increase in cash, restricted cash, cash equivalents and marketable securities in 2010 was the net result of the receipt of $93.7 million in net proceeds in December 2010 from an underwritten public offering of our common stock and the receipt of $10.0 million in net proceeds in January 2010 from the sale of shares of our common stock and warrants to purchase additional shares of our common stock to institutional investors, partially offset by the use of cash for operations.

We estimate that our existing capital resources, interest income and amounts available to us under our equipment financing facility will be sufficient to fund our current level of operations through at least the next 12 months. However, our future capital requirements will be substantial. Changes in our research and development plans or other changes affecting our operating expenses or cash balances may result in the unexpected expenditure of available resources. Factors that may require us to use our available capital resources sooner than we anticipate include:

- the accuracy of the assumptions underlying our estimates for our capital needs for 2012 and beyond;
- changes in our clinical development plans for our product candidates, imetelstat and GRN1005;
- our ability to meaningfully reduce manufacturing costs of current product candidates;
- the magnitude and scope of our research and development programs, including the number and type of product candidates we intend to pursue;
- the progress we make in our research and development programs, preclinical development and clinical trials;
- our ability to establish, enforce and maintain strategic arrangements for research, development, clinical testing, manufacturing and marketing;
- the time and costs involved in obtaining regulatory approvals and clearances; and
- the costs involved in preparing, filing, prosecuting, defending and enforcing patent claims.

If our capital resources are insufficient to meet future capital requirements, we will need to raise additional capital to fund our operations. We anticipate that we would need to seek additional funding through strategic collaborations, public or private equity financings, equipment loans or other financing sources that may be available. However, we may be unable to raise sufficient additional capital when we need it, on favorable terms or at all. Our ability to raise additional funds may be severely impaired if any of our product candidates fails to show adequate safety or efficacy in clinical testing. If we are unable to obtain adequate funds on reasonable terms, we may be required to curtail operations significantly or obtain funds by entering into financing, supply or collaboration agreements on unattractive terms or we may be required to relinquish rights to technology or product candidates or to grant licenses on terms that are unfavorable to us.

Cash Flows from Operating Activities

Net cash used in operations was $62.4 million, $44.3 million and $43.4 million in 2011, 2010 and 2009, respectively. The increase in net cash used in operations in 2011 compared to 2010 was primarily the result of increased research and development expenses associated with our clinical operations and reduced issuances of our common stock in exchange for research and development services. The increase in net cash used in operations in 2010 compared to 2009 was primarily the result of increased research and development expenses associated with our clinical operations and reduced interest income.

Cash Flows from Investing Activities

Net cash provided by investing activities was $32.1 million in 2011. Net cash used in investing activities was $48.5 million and $83.0 million for 2010 and 2009, respectively. The change in cash flows from investing activities in 2011 compared to 2010 and 2010 compared to 2009 was primarily the result of lower purchases of marketable securities and higher marketable securities maturities in those respective years.

For the three years ended December 31, 2011, we have purchased approximately $2.9 million in property and equipment, net of disposals, none of which was financed through equipment financing arrangements. As of December 31, 2011, no payments were due under our equipment financing facility. As of December 31, 2011, we had approximately $500,000 available for borrowing under our equipment financing facility. If we are unable to renew the commitment, we will use our cash resources for capital expenditures.

Cash Flows from Financing Activities

Net cash provided by financing activities in 2011, 2010 and 2009 was $386,000, $104.1 million and $51.6 million, respectively. Net cash provided by financing activities in 2011 reflected receipt of $386,000 from the issuance of common stock under our employee equity plans. Net cash provided by financing activities in 2010

primarily reflected receipt of approximately $93.7 million in net proceeds from an underwritten public offering of 20,000,000 shares of our common stock at a public offering price of $5.00 per share after deducting underwriting discounts and commissions and offering expenses and the receipt of approximately $10.0 million in net proceeds from the sale of 1,481,481 shares of our common stock and warrants to purchase an additional 740,741 shares of our common stock to certain institutional investors in connection with the exchange of warrants held by those investors for shares of our common stock. Net cash provided by financing activities in 2009 primarily reflected receipt of approximately $45.9 million in net proceeds from an underwritten public offering of 7,250,000 shares of our common stock at a public offering price of $6.60 per share after deducting underwriting discounts and commissions and offering expenses and receipt of net proceeds of $3.6 million from the sale of 550,000 shares of our common stock and warrants to purchase an additional 150,000 shares of our common stock with an exercise price of $9.00 per share to certain institutional investors.

Significant Cash and Contractual Obligations

As of December 31, 2011 our contractual obligations for the next five years, and thereafter were as follows:

	Principal Payments Due by Period				
Contractual Obligations [1]	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
	(In thousands)				
Equipment lease	$ 25	$ 19	$ 6	$ —	$ —
Operating leases [2]	—	—	—	—	—
Research funding [3]	2,714	1,455	384	350	525
Total contractual cash obligations	$ 2,739	$ 1,474	$ 390	$ 350	$ 525

(1) This table does not include any milestone payments under research collaborations or license agreements as the timing and likelihood of such payments are not known. In addition, this table does not include payments under our severance plan if there were a change in control of Geron or severance payments to key employees under involuntary termination.

(2) In March 2008, we issued 742,158 shares of our common stock to the lessor of our premises at 200 and 230 Constitution Drive in payment of our monthly rental obligation from August 1, 2008 through July 31, 2012. In January 2010 and April 2010, we issued an aggregate of 187,999 shares of our common stock to the lessor of our premises at 149 Commonwealth Drive in payment of our monthly rental obligation from May 1, 2010 through July 31, 2012. The fair value of the common stock issuances has been recorded as a prepaid asset and is being amortized to rent expense on a straight-line basis over the lease periods. Future minimum payments under non-cancelable operating leases are zero through July 31, 2012, as a result of the prepayments of rent with our common stock.

(3) Research funding is comprised of sponsored research commitments at various laboratories around the world.

Off-Balance Sheet Arrangements

None.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following discussion about our market risk disclosures contains forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. We do not use derivative financial instruments for speculative or trading purposes.

Credit Risk. We place our cash, restricted cash, cash equivalents and marketable securities with six financial institutions in the United States and Scotland. Deposits with banks may exceed the amount of insurance provided on such deposits. While we monitor the cash balances in our operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail or could be subject to other adverse conditions in the financial markets. Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents and marketable securities. Cash equivalents and marketable securities currently consist of money market funds, certificates of deposit, U.S. government-sponsored

enterprise securities, commercial paper and corporate notes. Our investment policy, approved by our Board of Directors, limits the amount we may invest in any one type of investment issuer, thereby reducing credit risk concentrations. We limit our credit and liquidity risks through our investment policy and through regular reviews of our portfolio against our policy. To date, we have not experienced any loss or lack of access to cash in our operating accounts or to our cash equivalents and marketable securities in our investment portfolio.

Interest Rate Risk. The primary objective of our investment activities is to manage our marketable securities portfolio to preserve principal and liquidity while maximizing the return on the investment portfolio through the full investment of available funds without significantly increasing risk. To achieve this objective, we invest in widely diversified investments consisting of both fixed rate and floating rate interest earning instruments, which both carry a degree of interest rate risk. Fixed rate securities may have their fair value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future interest income may fall short of expectations due to changes in market conditions and in interest rates or we may suffer losses in principal if forced to sell securities which may have declined in fair value due to changes in interest rates.

The fair value of our cash equivalents and marketable securities at December 31, 2011 was $150.2 million. These investments include $12.9 million of cash equivalents which are due in less than 90 days, $105.2 million of short-term investments which are due in less than one year and $32.1 million of long-term investments which are due in one to two years. We primarily invest our marketable securities portfolio in securities with at least an investment grade rating to minimize interest rate and credit risk as well as to provide for an immediate source of funds. Although changes in interest rates may affect the fair value of the marketable securities portfolio and cause unrealized gains or losses, such gains or losses would not be realized unless the investments are sold. Due to the nature of our investments, which are primarily money market funds, certificates of deposit, U.S. government-sponsored enterprise securities, commercial paper and corporate notes, we have concluded that there is no material interest rate risk exposure.

Foreign Currency Exchange Risk. Because we translate foreign currencies into U.S. dollars for reporting purposes, currency fluctuations can have an impact, though generally immaterial, on our operating results. We believe that our exposure to currency exchange fluctuation risk is insignificant primarily because our wholly-owned international subsidiary, Geron Bio-Med Ltd., satisfies its financial obligations almost exclusively in its local currency. As of December 31, 2011, there was an immaterial currency exchange impact from our intercompany transactions. As of December 31, 2011, we did not engage in foreign currency hedging activities.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements and the related notes thereto, of Geron Corporation and the Report of Independent Registered Public Accounting Firm, Ernst & Young LLP, are filed as a part of this Form 10-K.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Geron Corporation

We have audited the accompanying consolidated balance sheets of Geron Corporation as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Geron Corporation at December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Geron Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 7, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Redwood City, California
March 7, 2012

GERON CORPORATION

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2011	2010
	(In thousands, except share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 16,105	$ 45,972
Restricted cash	793	792
Current portion of marketable securities	105,208	140,599
Interest and other receivables	1,398	1,799
Current portion of prepaid assets	2,121	5,855
Total current assets	125,625	195,017
Noncurrent portion of marketable securities	32,133	33,911
Noncurrent portion of prepaid assets	—	854
Investments in licensees	—	504
Property and equipment, net	1,241	3,088
Deposits and other assets	1,048	210
	$ 160,047	$ 233,584
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,980	$ 3,462
Accrued compensation and benefits	3,029	6,186
Accrued restructuring charges	3,730	—
Accrued liabilities	3,641	2,644
Stock issuance obligation	—	27,500
Current portion of deferred revenue	—	350
Fair value of derivatives	64	707
Total current liabilities	13,444	40,849
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 3,000,000 shares authorized; no shares issued and outstanding at December 31, 2011 and 2010	—	—
Common stock, $0.001 par value; 200,000,000 shares authorized; 131,443,148 and 122,616,729 shares issued and outstanding at December 31, 2011 and 2010, respectively	131	123
Additional paid-in capital	932,066	881,358
Accumulated deficit	(785,503)	(688,650)
Accumulated other comprehensive loss	(91)	(96)
Total stockholders' equity	146,603	192,735
	$ 160,047	$ 233,584

See accompanying notes.

GERON CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2011	2010	2009
	(In thousands, except share and per share data)		
Revenues from collaborative agreements	$ 300	$ 925	$ 450
License fees and royalties	2,138	2,638	1,276
Total revenues	2,438	3,563	1,726
Operating expenses:			
Research and development (including amounts for related parties: 2011-none, 2010-$697, 2009-$1,755)	69,316	61,687	57,617
Acquired in-process research and development	—	35,000	—
Restructuring charges	5,449	—	—
General and administrative	23,789	18,043	14,343
Total operating expenses	98,554	114,730	71,960
Loss from operations	(96,116)	(111,167)	(70,234)
Unrealized gain on fair value of derivatives	643	190	157
Interest and other income	1,024	2,045	1,374
Losses recognized under equity method investment	(503)	(2,347)	(1,338)
Losses recognized from debt extinguishment	(1,664)	—	—
Interest and other expense	(237)	(98)	(143)
Net loss	(96,853)	(111,377)	(70,184)
Deemed dividend on derivatives	—	—	(190)
Net loss applicable to common stockholders	$ (96,853)	$ (111,377)	$ (70,374)
Basic and diluted net loss per share applicable to common stockholders:			
Net loss per share applicable to common stockholders	$ (0.78)	$ (1.14)	$ (0.80)
Shares used in computing net loss per share applicable to common stockholders	124,506,763	97,601,520	88,078,557

See accompanying notes.

GERON CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-In		Accumulated Other	Total
	Shares	Amount	Capital	Accumulated Deficit	Comprehensive Income (Loss)	Stockholders' Equity
	(In thousands, except share data)					
Balances at December 31, 2008	81,070,464	$ 81	$ 675,227	$ (506,893)	$ 40	$ 168,455
Net loss	—	—	—	(70,184)	—	(70,184)
Net change in unrealized gain (loss) on marketable securities and investments in licensees	—	—	—	—	(445)	(445)
Cumulative translation adjustment	—	—	—	—	(1)	(1)
Comprehensive loss						(70,630)
Issuance of common stock in connection with public offering, net of issuance costs of $1,916	7,250,000	7	45,926	—	—	45,933
Issuance of common stock in connection with private offering, net of issuance costs of $18	550,000	1	3,584	—	—	3,585
Reclassification of fair value of derivatives, net	—	—	130	—	—	130
Deemed dividend in connection with amendments to warrants to purchase common stock	—	—	190	(190)	—	—
Stock-based compensation related to issuance of common stock and options in exchange for services	1,272,438	1	8,114	—	—	8,115
Issuance of common stock under employee stock plans, net	2,110,418	2	5,253	—	—	5,255
Stock-based compensation for equity-based awards to employees and directors	—	—	10,575	—	—	10,575
401(k) contribution	268,626	—	1,159	—	—	1,159
Balances at December 31, 2009	92,521,946	92	750,158	(577,267)	(406)	172,577
Net loss	—	—	—	(111,377)	—	(111,377)
Net change in unrealized gain (loss) on marketable securities and investments in licensees	—	—	—	—	306	306
Cumulative translation adjustment	—	—	—	—	4	4
Comprehensive loss						(111,067)
Issuance of common stock in connection with public offering, net of issuance costs of $6,300	20,000,000	20	93,680	—	—	93,700
Issuance of common stock in connection with private offering, net of issuance costs of $44	4,181,481	4	9,952	—	—	9,956
Stock-based compensation related to issuance of common stock and options in exchange for services	1,994,993	2	11,685	—	—	11,687
Issuance of common stock under employee stock plans, net	3,654,057	4	547	—	—	551
Stock-based compensation for equity-based awards to employees and directors	—	—	13,718	—	—	13,718
Distribution to TA Therapeutics, Ltd. shareholder	—	—	—	(6)	—	(6)
401(k) contribution	264,252	1	1,618	—	—	1,619
Balances at December 31, 2010	122,616,729	123	881,358	(688,650)	(96)	192,735
Net loss	—	—	—	(96,853)	—	(96,853)
Net change in unrealized gain (loss) on marketable securities and investments in licensees	—	—	—	—	6	6
Cumulative translation adjustment	—	—	—	—	(1)	(1)
Comprehensive loss						(96,848)
Issuance of common stock in connection with acquired in-process research technology	5,261,144	5	28,089	—	—	28,094
Stock-based compensation related to issuance of common stock and options in exchange for services	180,954	—	715	—	—	715
Issuance of common stock under employee stock plans, net	3,031,121	3	3,260	—	—	3,263
Stock-based compensation for equity-based awards to employees and directors	—	—	15,249	—	—	15,249
Debt discount in connection with warrant issuances	—	—	1,715	—	—	1,715
401(k) contribution	353,200	—	1,680	—	—	1,680
Balances at December 31, 2011	131,443,148	$ 131	$ 932,066	$ (785,503)	$ (91)	$ 146,603

See accompanying notes.

GERON CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2011	2010	2009
	(In thousands)		
Cash flows from operating activities			
Net loss	$ (96,853)	$ (111,377)	$ (70,184)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	1,580	1,609	1,753
Accretion and amortization on investments, net	4,422	3,568	926
Accretion of discount on long-term debt	51	—	—
Loss on debt extinguishment	1,664	—	—
Loss on retirement/sale of property and equipment	5	75	130
Loss on impairment of excess equipment	874	—	—
Loss on sale of marketable securities	2	—	—
Issuance of common stock in connection with acquired in-process research technology	594	27,500	—
Issuance of common stock and warrants in exchange for services by non-employees	744	8,673	4,866
Stock-based compensation for employees and directors	15,249	13,718	10,575
Amortization related to 401(k) contributions	709	647	494
Loss on investments in licensees	503	2,347	1,364
Unrealized gain on fair value of derivatives	(643)	(190)	(157)
Changes in assets and liabilities:			
Interest and other receivables	401	(479)	(436)
Prepaid assets	4,085	2,866	3,019
Deposits and other assets	(658)	(45)	(99)
Accounts payable	(482)	1,288	(56)
Accrued compensation and benefits	944	5,401	4,166
Accrued restructuring charges	3,730	—	—
Accrued liabilities	1,038	803	(265)
Deferred revenue	(350)	(700)	971
Advance payment from related party for research and development	—	—	(440)
Translation adjustment	(1)	4	(1)
Net cash used in operating activities	(62,392)	(44,292)	(43,374)
Cash flows from investing activities			
Restricted cash transfer	(1)	(1)	25
Loan to related party	—	(1,500)	—
Investment in licensee, net	—	(23)	(2,009)
Proceeds from sale of property and equipment	—	2	—
Purchases of property and equipment	(612)	(836)	(1,435)
Purchases of marketable securities	(144,890)	(183,414)	(200,109)
Proceeds from sales of marketable securities	809	—	—
Proceeds from maturities of marketable securities	176,832	137,320	120,524
Proceeds from sale of investment in licensees	1	—	1
Net cash provided by (used in) investing activities	32,139	(48,452)	(83,003)
Cash flows from financing activities			
Proceeds from issuance of long-term debt	6,422	—	—
Repayment of long-term debt	(6,422)	—	—
Distribution to TA Therapeutics, Ltd. shareholder	—	(6)	—
Proceeds from issuance of common stock and warrants, net of issuance costs	386	104,121	51,630
Net cash provided by financing activities	386	104,115	51,630
Net (decrease) increase in cash and cash equivalents	(29,867)	11,371	(74,747)
Cash and cash equivalents, at beginning of year	45,972	34,601	109,348
Cash and cash equivalents, at end of year	$ 16,105	$ 45,972	$ 34,601
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 37	$ —	$ —

See accompanying notes.

GERON CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Geron Corporation ("we" or "Geron") was incorporated in the State of Delaware on November 28, 1990. We are a biopharmaceutical company developing first-in-class therapies for cancer. Imetelstat, a telomerase inhibitor, is currently being evaluated in four Phase 2 clinical trials for the following indications: metastatic breast cancer, advanced non-small cell lung cancer, essential thrombocythemia and multiple myeloma. GRN1005, an LRP-directed peptide-drug conjugate, is being evaluated in two Phase 2 clinical trials: brain metastases arising from breast cancer and brain metastases arising from non-small cell lung cancer. These product candidates are based on our core expertise in telomerase and the rights we have in-licensed from third parties. Principal activities to date have included obtaining financing, securing operating facilities and conducting research and development. We have no therapeutic products currently available for sale and do not expect to have any therapeutic products commercially available for sale for a period of years, if at all. These factors indicate that our ability to continue research and development activities is dependent upon the ability of our management to obtain additional financing as required.

Principles of Consolidation

The consolidated financial statements include the accounts of Geron, our wholly-owned subsidiary, Geron Bio-Med Ltd. (Geron Bio-Med), a United Kingdom company, and our majority-owned subsidiary, TA Therapeutics, Ltd. (TAT), a Hong Kong company. We have eliminated intercompany accounts and transactions. We prepare the financial statements of Geron Bio-Med using the local currency as the functional currency. We translate the assets and liabilities of Geron Bio-Med at rates of exchange at the balance sheet date and translate income and expense items at average monthly rates of exchange. The resultant translation adjustments are included in accumulated other comprehensive income (loss), a separate component of stockholders' equity. The functional currency for TAT was U.S. dollars. In July 2010, the board of directors and shareholders of TAT approved actions to commence a voluntary winding up of the company. The full wind up of TAT was completed in March 2011.

We evaluate whether significant transactions require consideration of the variable interest consolidation model. For those entities in which we have a variable interest, we consider whether we are the primary beneficiary. Variable interest entities (VIEs) for which we are the primary beneficiary are required to be consolidated. We currently are not the primary beneficiary of any VIE. See Note 3 on Joint Venture and Related Party Transactions.

Net Loss Per Share

Basic earnings (loss) per share is calculated based on the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share is calculated based on the weighted average number of shares of common stock and dilutive securities outstanding during the period. Potential dilutive securities primarily consist of outstanding employee stock options, restricted stock and warrants to purchase common stock and are determined using the treasury stock method at an average market price during the period.

Because we are in a net loss position, diluted earnings (loss) per share excludes the effects of potential dilutive securities. Had we been in a net income position, diluted earnings per share would have included the shares used in the computation of basic net loss per share as well as an additional 294,426, 1,204,692 and 1,260,417 shares for 2011, 2010 and 2009, respectively, related to outstanding options, restricted stock and warrants (as determined using the treasury stock method at the estimated average market value).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On a regular basis, management evaluates these estimates and assumptions. Actual results could differ from those estimates.

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Fair Value of Financial Instruments

Cash Equivalents and Marketable Securities

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. We are subject to credit risk related to our cash equivalents and marketable securities. We place our cash and cash equivalents in money market funds and cash operating accounts. Our investments include U.S. government-sponsored enterprise securities, certificates of deposit, commercial paper and corporate notes with original maturities ranging from four to 24 months.

We classify our marketable securities as available-for-sale. We record available-for-sale securities at fair value with unrealized gains and losses reported in accumulated other comprehensive income (loss) in stockholders' equity. Realized gains and losses are included in interest and other income and are derived using the specific identification method for determining the cost of securities sold and have been insignificant to date. Dividend and interest income are recognized when earned and included in interest and other income in our consolidated statements of operations. We recognize a charge when the declines in the fair values below the amortized cost basis of our available-for-sale securities are judged to be other-than-temporary. We consider various factors in determining whether to recognize an other-than-temporary charge, including whether we intend to sell the security or whether it is more likely than not that we would be required to sell the security. Declines in market value associated with credit losses judged as other-than-temporary result in a charge to interest and other income. Other-than-temporary charges not related to credit losses are included in accumulated other comprehensive income (loss) in stockholders' equity. No other-than-temporary impairment charges were recorded for our available-for-sale securities for the years ended December 31, 2011, 2010 and 2009. See Note 2 on Fair Value Measurements.

Marketable and Non-Marketable Investments in Licensees

Investments in non-marketable nonpublic companies, in which we own less than 20% of the outstanding voting stock and do not otherwise have the ability to exert significant influence over the investees, are carried at cost, as adjusted for other-than-temporary impairments. Investments in marketable equity securities are carried at fair value as of the balance sheet date with unrealized gains and losses reported in accumulated other comprehensive income (loss) in stockholders' equity. Realized gains or losses are included in interest and other income and are derived using the specific identification method.

We apply the equity method of accounting for investments in licensees in which we own more than 20% of the outstanding voting stock or otherwise have the ability to exert significant influence over the investees, but are not the primary beneficiary. Under this method, we increase (decrease) the carrying value of our investment by a proportionate share of the investee's earnings (losses). If losses exceed the carrying value of the investment, losses are then applied against any advances to the investee, including any commitment to provide financial support, until those amounts are reduced to zero. Commitments to provide financial support include formal guarantees, implicit arrangements, reputational expectations, intercompany relationships or a consistent past history of providing financial support. The equity method is then suspended until the investee has earnings. Any proportionate share of investee earnings is first applied to the share of accumulated losses not recognized during the period the equity method was suspended. We recognize previously suspended losses to the extent additional investment is determined to represent the funding of prior losses.

We monitor our investments in licensees for impairment on a quarterly basis and make appropriate reductions in carrying values when such impairments are determined to be other-than-temporary. Other-than-temporary charges are included in interest and other income. Factors used in determining whether an other-than-temporary charge should be recognized include, but are not limited to: the current business environment including competition and uncertainty of financial condition; going concern considerations such as the rate at which the investee company utilizes cash, and the investee company's ability to obtain additional private financing to fulfill its stated business plan; the need for changes to the investee company's existing business model due to changing business environments and its ability to successfully implement necessary changes; and the general progress toward product development, including clinical trial results. See Note 2 on Fair Value Measurements.

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Fair Value of Derivatives

For warrants and non-employee options classified as assets or liabilities, the fair value of these instruments is recorded on the consolidated balance sheet at inception of such classification and adjusted to fair value at each financial reporting date. The change in fair value of the warrants and non-employee options is recorded in the consolidated statements of operations as unrealized gain (loss) on derivatives. Fair value of warrants and non-employee options is estimated using the Black Scholes option-pricing model. The warrants and non-employee options continue to be reported as an asset or liability until such time as the instruments are exercised or expire or are otherwise modified to remove the provisions which require this treatment, at which time these instruments are marked to fair value and reclassified from assets or liabilities to stockholders' equity. For warrants and non-employee options classified as permanent equity, the fair value of the warrants and non-employee options is recorded in stockholders' equity as of their respective vesting dates and no further adjustments are made. See Note 2 on Fair Value Measurements.

Revenue Recognition

We have several license agreements with various oncology, diagnostics, research tools, agriculture and biologics production companies. With certain of these agreements, we receive nonrefundable license payments in cash or equity securities, option payments in cash or equity securities, royalties on future sales of products, milestone payments, or any combination of these items. Upfront nonrefundable signing, license or non-exclusive option fees are recognized as revenue when rights to use the intellectual property related to the license have been delivered and over the term of the agreement if we have continuing performance obligations. Milestone payments, which are subject to substantive contingencies, are recognized upon completion of specified milestones, representing the culmination of the earnings process, according to contract terms. Royalties are generally recognized upon receipt of the related royalty payment. Deferred revenue represents the portion of research and license payments received which has not been earned. When payments are received in equity securities, we do not recognize any revenue unless such securities are determined to be realizable in cash.

We recognize revenue under collaborative agreements as the related research and development costs for services are rendered. We recognize related party revenue under collaborative agreements as the related research and development costs for services are rendered and when the source of funds has not been derived from our contributions to the related party.

Restricted Cash

The components of restricted cash are as follows:

	December 31,	
	2011	2010
	(In thousands)	
Certificate of deposit for unused equipment line of credit	$ 530	$ 530
Certificate of deposit for credit card purchases	263	262
	$ 793	$ 792

Research and Development Expenses

Research and development expenses consist of expenses incurred in identifying, developing and testing our product candidates resulting from our independent efforts as well as efforts associated with collaborations. These expenses include, but are not limited to, acquired in-process research and development deemed to have no alternative future use, payroll and personnel expense, lab supplies, preclinical studies, clinical trials, raw materials to manufacture clinical trial drugs, manufacturing costs for research and clinical trial materials, sponsored research at other labs, consulting, costs to maintain technology licenses and research-related overhead. Research and development costs are expensed as incurred, including payments made under our license agreements.

Clinical Trial Costs

A significant component of our research and development expenses is clinical trial costs. Substantial portions of our preclinical studies and all of our clinical trials have been performed by third-party contract research organizations, or CROs, and other vendors. We accrue expenses for preclinical studies performed by our vendors

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based on certain estimates over the term of the service period and adjust our estimates as required. We accrue expenses for clinical trial activities performed by CROs based upon the estimated amount of work completed on each study. For clinical trial expenses, the significant factors used in estimating accruals include the number of patients enrolled, the number of active clinical sites, and the duration for which the patients will be enrolled in the study. We monitor patient enrollment levels and related activities to the extent possible through internal reviews, review of contractual terms and correspondence with CROs. We base our estimates on the best information available at the time. However, additional information may become available to us which will allow us to make a more accurate estimate in future periods. In this event, we may be required to record adjustments to research and development expenses in future periods when the actual level of activity becomes more certain.

Depreciation and Amortization

We record property and equipment at cost and calculate depreciation using the straight-line method over the estimated useful lives of the assets, generally four years. Leasehold improvements are amortized over the shorter of the estimated useful life or remaining term of the lease.

Stock-Based Compensation

We maintain various stock incentive plans under which stock options and restricted stock awards are granted to employees, non-employee members of the Board of Directors and consultants. We also have an employee stock purchase plan for all eligible employees. We recognize compensation expense on a straight-line basis over the requisite service period, which is generally the vesting period, for stock-based awards granted after January 1, 2006, plus unvested awards granted prior to January 1, 2006 based on the grant-date fair value estimated using accounting guidance in effect at that time and following the straight-line attribution method. For additional information, see Note 10 on Stockholders' Equity.

Stock Options and Employee Stock Purchase Plan

We use the Black Scholes option-pricing valuation model to estimate the grant-date fair value of our stock options and employee stock plan purchases. The determination of fair value for these stock-based awards on the date of grant using an option-pricing model is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards and actual and projected employee exercise behaviors. We grant service-based stock options under our equity plans to employees, non-employee directors and consultants, for whom the vesting period is generally four years.

Restricted Stock Awards

We grant restricted stock awards to employees and non-employee directors with three types of vesting schedules: (i) service-based, (ii) performance-based or (iii) market-based. Service-based awards generally vest annually over four years. Performance-based awards vest only upon achievement of discrete strategic corporate goals within a specified performance period, generally three years. Market-based awards vest only upon achievement of certain market price thresholds of our common stock within a specified performance period, generally three years.

The fair value for service-based restricted stock awards is determined using the fair value of our common stock on the date of grant. The fair value is amortized as compensation expense over the requisite service period of the award on a straight-line basis and is reduced for estimated forfeitures, as applicable.

The fair value for performance-based restricted stock awards is determined using the fair value of our common stock on the date of grant. Compensation expense for awards with performance conditions is recognized over the period from the date the performance condition is determined to be probable of occurring through the date the applicable condition is expected to be met and is reduced for estimated forfeitures, as applicable. If the performance condition is not considered probable of being achieved, no expense is recognized until such time as the performance condition is considered probable of being met, if ever. If performance-based restricted stock awards are modified such that no continuing service is required for the award to vest and achievement of the performance condition is not considered probable on the date of modification, then no compensation cost is recognized until it becomes probable that the performance condition will be met. If that assessment of the probability of the performance condition

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being met changes, the impact of the change in estimate would be recognized in the period of the change. If the requisite service has been provided prior to the change in estimate, the effect of the change in estimate would be immediately recognized.

The fair value for market-based restricted stock awards is determined using a lattice valuation model with a Monte Carlo simulation. The model takes into consideration the historical volatility of our stock and the risk-free interest rate at the date of grant. In addition, the model is used to estimate the derived service period for the awards. The derived service period is the estimated period of time that would be required to satisfy the market condition, assuming the market condition will be satisfied. Compensation expense is recognized over the derived service period for the awards using the straight-line method and is reduced for estimated forfeitures, as applicable, but is accelerated if the market condition is achieved earlier than estimated.

Non-Employee Stock-Based Awards

For our non-employee stock-based awards, the measurement date on which the fair value of the stock-based award is calculated is equal to the earlier of (i) the date at which a commitment for performance by the counterparty to earn the equity instrument is reached or (ii) the date at which the counterparty's performance is complete. We recognize stock-based compensation expense for the fair value of the vested portion of non-employee awards in our consolidated statements of operations.

Comprehensive Loss

Comprehensive loss is comprised of net loss and other comprehensive income (loss). Other comprehensive income (loss) includes certain changes in stockholders' equity which are excluded from net loss.

The components of accumulated other comprehensive income (loss) are as follows:

	December 31,	
	2011	2010
	(In thousands)	
Unrealized gain on available-for-sale securities and marketable investments in licensees	$ 78	$ 72
Foreign currency translation adjustments	(169)	(168)
	$ (91)	$ (96)

In 2011, 2010 and 2009, we did not recognize any other-than-temporary impairment charges related to our investments in licensees. In 2009, $26,000 of previously unrecognized unrealized loss was eliminated from accumulated other comprehensive income (loss). See Note 2 on Fair Value Measurements.

Income Taxes

We maintain deferred tax assets and liabilities that reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and are subject to tests of recoverability. Our deferred tax assets include net operating loss carryforwards, research credits and capitalized research and development. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Our net deferred tax asset has been fully offset by a valuation allowance because of our history of losses. Any potential accrued interest and penalties related to unrecognized tax benefits within operations would be recorded as income tax expense. To date, there have been no interest or penalties charged to us related to the underpayment of income taxes.

Concentrations of Customers and Suppliers

The majority of our revenues was earned in the United States. Two existing customers accounted for approximately 51% of our 2011 revenues and 69% of our 2010 revenues and one existing customer accounted for 46% of our 2009 revenues.

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We contract third-party manufacturers to produce GMP-grade drugs for preclinical and clinical studies. We also contract for starting materials to supply those manufacturers and us. Certain development and clinical activities may be delayed if we are unable to obtain sufficient quantities of starting materials or GMP-grade drugs from our third-party suppliers or other third-party sources.

Recently Issued Accounting Standards

In May 2011, the Financial Accounting Standards Board (FASB) issued a new accounting standard on fair value measurements that clarifies the application of existing guidance and disclosure requirements, changes certain fair value measurement principles and requires additional disclosures about fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively. We are required to adopt this standard in January 2012. We do not expect that this adoption will have a material impact on our financial statements.

In June 2011, the FASB issued a new accounting standard on the presentation of comprehensive income. The new standard requires the presentation of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The new standard also requires presentation of adjustments for items that are reclassified from other comprehensive income to net income in the statement where the components of net income and the components of other comprehensive income are presented. We are required to adopt this standard in January 2012 and apply it retrospectively. We do not expect that this adoption will have a material impact on our financial statements.

2. FAIR VALUE MEASUREMENTS

We categorize assets and liabilities recorded at fair value on our consolidated balance sheet based upon the level of judgment associated with inputs used to measure their fair value. The categories are as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Inputs (other than quoted market prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument’s anticipated life.

Level 3 – Inputs reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used for instruments measured at fair value on our consolidated balance sheet, including the category for such instruments.

Cash Equivalents and Marketable Securities Available-for-Sale

Where quoted prices are available in an active market, securities are categorized as Level 1. Examples of such Level 1 securities include certificates of deposit and money market funds. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Examples of such Level 2 instruments include U.S. Treasury securities, U.S. government-sponsored enterprise securities, municipal securities, asset-backed securities, corporate notes and commercial paper.

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Marketable securities by security type at December 31, 2011 were as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
		(In thousands)		
Included in cash and cash equivalents:				
Money market funds	$ 12,885	$ —	$ —	$ 12,885
Restricted cash:				
Certificates of deposit	$ 793	$ —	$ —	$ 793
Marketable securities:				
Certificate of deposit (due in less than 1 year)	$ 329	$ —	$ —	$ 329
Government-sponsored enterprise securities (due in less than 1 year)	15,061	25	(1)	15,085
Government-sponsored enterprise securities (due in 1 to 2 years)	6,998	18	(12)	7,004
Commercial paper (due in less than 1 year)	39,206	41	—	39,247
Corporate notes (due in less than 1 year)	50,556	19	(28)	50,547
Corporate notes (due in 1 to 2 years)	25,113	30	(14)	25,129
	$ 137,263	$ 133	$ (55)	$ 137,341

Marketable securities by security type at December 31, 2010 were as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
		(In thousands)		
Included in cash and cash equivalents:				
Money market funds	$ 21,076	$ —	$ —	$ 21,076
Municipal securities (due in less than 1 year)	18,450	—	—	18,450
Commercial paper (due in less than 1 year)	3,499	—	—	3,499
Corporate notes (due in less than 1 year)	1,856	—	(1)	1,855
	$ 44,881	$ —	$ (1)	$ 44,880
Restricted cash:				
Certificates of deposit	$ 792	$ —	$ —	$ 792
Marketable securities:				
Certificate of deposit (due in less than 1 year)	$ 325	$ —	$ —	$ 325
Government-sponsored enterprise securities (due in less than 1 year)	11,288	—	(1)	11,287
Government-sponsored enterprise securities (due in 1 to 2 years)	27,270	9	(11)	27,268
Commercial paper (due in less than 1 year)	12,087	7	—	12,094
Corporate notes (due in less than 1 year)	116,822	127	(56)	116,893
Corporate notes (due in 1 to 2 years)	6,645	1	(3)	6,643
Investments in licensees	1	—	—	1
	$ 174,438	$ 144	$ (71)	$ 174,511

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Marketable securities with unrealized losses at December 31, 2011 and 2010 were as follows:

	Less Than 12 Months		12 Months or Greater		Total	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
	(In thousands)					
As of December 31, 2011:						
Government-sponsored enterprise securities (due in less than 1 year)	$ 5,021	$ (1)	$ —	$ —	$ 5,021	$ (1)
Government-sponsored enterprise securities (due in 1 to 2 years)	3,988	(12)	—	—	3,988	(12)
Corporate notes (due in less than 1 year)	33,847	(28)	—	—	33,847	(28)
Corporate notes (due in 1 to 2 years)	13,096	(14)	—	—	13,096	(14)
	$ 55,952	$ (55)	$ —	$ —	$ 55,952	$ (55)
As of December 31, 2010:						
Government-sponsored enterprise securities (due in less than 1 year)	$ 7,287	$ (1)	$ —	$ —	$ 7,287	$ (1)
Government-sponsored enterprise securities (due in 1 to 2 years)	15,287	(11)	—	—	15,287	(11)
Corporate notes (due in less than 1 year)	61,354	(56)	3,019	(1)	64,373	(57)
Corporate notes (due in 1 to 2 years)	4,313	(3)	—	—	4,313	(3)
	$ 88,241	$ (71)	$ 3,019	$ (1)	$ 91,260	$ (72)

The gross unrealized losses related to U.S. government-sponsored enterprise securities and corporate notes as of December 31, 2011 and 2010 were due to changes in interest rates. We determined that the gross unrealized losses on our marketable securities as of December 31, 2011 and 2010 were temporary in nature. We review our investments quarterly to identify and evaluate whether any investments have indications of possible impairment. Factors considered in determining whether a loss is temporary include the length of time and extent to which the fair value has been less than the cost basis, the financial condition and near-term prospects of the investee, and whether we intend to sell the security or whether it is more likely than not that we would be required to sell the security. We currently do not intend to sell these securities before recovery of their amortized cost basis.

In 2011, we received proceeds of $809,000 from the sale of a corporate note. In connection with the sale, we recognized a realized loss of $2,000.

Marketable and Non-Marketable Investments in Licensees

Where quoted prices are available in an active market, securities are categorized as Level 1. Level 1 securities include publicly traded equities. Significant investments in licensees accounted for using the equity method of accounting or equity securities in non-marketable companies are not measured at fair value and are not assigned a category level.

We recognized no charges in 2011, 2010 and 2009, related to other-than-temporary declines in the fair values of our investments in licensees. As of December 31, 2011 and 2010, the carrying values of our investments in non-marketable nonpublic companies were zero and $503,000, respectively. In 2011, we received proceeds of $1,000 on the sale of investment in licensees, which approximated the cost basis of the securities. In 2009 we recognized net realized losses of $26,000 related to sales of investments in licensees. In connection with the sales, $26,000 of previously unrecognized unrealized loss was eliminated from accumulated other comprehensive income (loss). See Note 3 on Joint Venture and Related Party Transactions for further discussion of investments in licensees.

Derivatives

Warrants to purchase common stock and non-employee options are normally traded less actively, have trade activity that is one way, and/or traded in less-developed markets and are therefore valued based upon models with significant unobservable market parameters, resulting in Level 3 categorization.

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The fair value of derivatives has been calculated at each reporting date using the Black Scholes option-pricing model with the following assumptions:

	December 31,	
	2011	2010
Dividend yield	None	None
Expected volatility	0.714	0.668
Risk-free interest rate	0.36%	2.01%
Expected term	3 yrs	4 yrs

Dividend yield is based on historical cash dividend payments, which have been none to date. The expected volatility is based on historical volatilities of our stock since traded options on Geron stock do not correspond to derivatives' terms and trading volume of Geron options is limited. The risk-free interest rate is based on the U.S. Zero Coupon Treasury Strip Yields for the expected term in effect on the reporting date. The expected term of derivatives is equal to the remaining contractual term of the instrument.

As of December 31, 2011 and 2010, the following non-employee options to purchase our common stock were considered derivatives and classified as current liabilities:

Issuance Date	Exercise Price	Number of Shares at December 31, 2011	Number of Shares at December 31, 2010	Exercisable Date	Expiration Date	Fair Value at December 31, 2011	Fair Value at December 31, 2010
						(In thousands)	
March 2005	$ 6.39	284,600	284,600	January 2007	March 2015	$ 64	$ 707

Non-employee options whose performance obligations are complete are classified as derivative liabilities on our consolidated balance sheet. Upon the exercise of these options, the instruments are marked to fair value and reclassified from derivative liabilities to stockholders' equity. There were no reclassifications from current liabilities to stockholders' equity for non-employee option exercises in 2011 and 2010.

Fair Value on a Recurring Basis

The following table presents information about our financial assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2011, and indicate the fair value category assigned.

	Fair Value Measurements at Reporting Date Using			
(In thousands)	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Assets				
Money market funds [1]	$ 12,885	$ —	$ —	$ 12,885
Certificate of deposit [2]	329	—	—	329
Government-sponsored enterprise securities [2][3]	—	22,089	—	22,089
Commercial paper [2]	—	39,247	—	39,247
Corporate notes [2][3]	—	75,676	—	75,676
Total	$ 13,214	$ 137,012	$ —	$ 150,226

	Fair Value Measurements at Reporting Date Using			
(In thousands)	Quoted Prices in Active Markets for Identical Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Liabilities				
Derivatives [4]	$ —	$ —	$ 64	$ 64

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(1) Included in cash and cash equivalents on our consolidated balance sheet.

(2) Included in current marketable securities on our consolidated balance sheet.

(3) Included in noncurrent marketable securities on our consolidated balance sheet.

(4) Included in fair value of derivatives on our consolidated balance sheet.

Changes in Level 3 Recurring Fair Value Measurements

The table below includes a rollforward of the balance sheet amounts for the year ended December 31, 2011 (including the change in fair value), for financial instruments in the Level 3 category. When a determination is made to classify a financial instrument within Level 3, the determination is based upon the significance of the unobservable parameters to the overall fair value measurement. However, Level 3 financial instruments typically include, in addition to the unobservable components, observable components (that is, components that are actively quoted and can be validated to external sources). Accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the methodology.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Year Ended December 31, 2011					
(In thousands)	Fair Value at December 31, 2010	Total Unrealized Gains Included in Earnings, net (1)	Purchases, Sales, Issuances, Settlements, net	Transfers In and/or Out of Level 3	Fair Value at December 31, 2011	Change in Unrealized Gains Related to Financial Instruments Held at December 31, 2011 (1)
Derivative liabilities	$ 707	$ (643)	$ —	$ —	$ 64	$ (643)

(1) Reported as unrealized gain on fair value of derivatives in our consolidated statements of operations.

Credit Risk

We place our cash, restricted cash, cash equivalents and marketable securities with six financial institutions in the United States and Scotland. Generally, these deposits may be redeemed upon demand and therefore, bear minimal risk. Deposits with banks may exceed the amount of insurance provided on such deposits. Included in marketable securities as of December 31, 2011, is a certificate of deposit of $329,000 at the Bank of Scotland that matures in January 2012. Financial instruments that potentially subject us to concentrations of credit risk consist primarily of marketable securities. Marketable securities currently consist of a certificate of deposit and investment grade U.S. government-sponsored enterprise securities, commercial paper and corporate notes. Our investment policy, approved by the Board of Directors, limits the amount we may invest in any one type of investment issuer, thereby reducing credit risk concentrations.

3. JOINT VENTURE AND RELATED PARTY TRANSACTIONS

TA Therapeutics, Ltd.

In March 2005, we and the Biotechnology Research Corporation (BRC), a subsidiary of Hong Kong University of Science and Technology, established a joint venture company in Hong Kong called TA Therapeutics, Ltd. (TAT). TAT conducted research and was established to commercially develop products that utilize telomerase activator drugs to restore the regenerative and functional capacity of cells in various organ systems that have been impacted by senescence, injury or chronic disease. On June 15, 2007, we and BRC entered into an agreement to restructure the TAT joint venture. Under the amended agreements, we directed the preclinical and drug development activities, owned a 75% voting interest and exercised control over the company.

In July 2010, the board of directors and shareholders of TAT approved actions to commence a voluntary winding up of the company. In connection with the winding up of TAT, all intellectual property owned by TAT has been assigned to Geron. BRC is entitled to receive royalty payments for future sales of products covered by the intellectual property owned by TAT up to an amount equal to 150% of BRC's original capital contributions to TAT. In November 2010, the net remaining assets of TAT were distributed to its shareholders, resulting in a payment of $6,000 to BRC and $17,000 to Geron. The full wind up of TAT was completed in March 2011.

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We incurred related party research and development costs of zero, $697,000 and $1,755,000 for the years ended December 31, 2011, 2010 and 2009, respectively, in connection with TAT.

Start Licensing and ViaGen, Inc.

In April 2005, Geron and Exeter Life Sciences, Inc. (Exeter) established Start Licensing, Inc. (Start), a joint venture to manage and license a broad portfolio of intellectual property rights related to animal reproductive technologies. We and Exeter owned 49.9% and 50.1% of Start, respectively. In connection with the establishment of Start, we granted a worldwide, exclusive, non-transferable license to our patent rights to nuclear transfer technology for use in animal cloning, with the right to sublicense such patent rights. Since there was no net book value associated with the patent rights at the execution of the joint venture, no initial value was recognized for our investment in Start. We suspended the equity method of accounting since our proportionate share of net losses in Start exceeded our original carrying value of the investment and we had no commitments to provide financial support or obligations to perform services or other activities for Start.

In August 2008, Geron and Exeter entered into Contribution Agreements whereby we and Exeter exchanged our equity interests in Start for equity interests in ViaGen, Inc. (ViaGen). As a result of the exchange, Start became a wholly-owned subsidiary of ViaGen. Ownership of ViaGen immediately following the transaction was as follows: Exeter– 69%; Geron – 27%; and Smithfield Foods – 4%. Since no value had been recorded for our investment in Start, the same zero carrying value was applied to our investment in ViaGen. Geron's share of equity method losses from Start that were not recognized during the period the equity method was suspended was carried over to the investment in ViaGen.

In September 2008, we provided a $1,500,000 loan to ViaGen in connection with ViaGen's acquisition of an interest in an unrelated company. The loan bore an interest rate of 6% per annum and was convertible into ViaGen equity at Geron's option at the then current market value. Since the proceeds of the loan did not fund prior ViaGen losses and represented additional financial support to ViaGen, we applied the equity method of accounting to the basis of the loan and recognized losses for our proportionate share of ViaGen's operating losses. The loan basis was reduced to zero as of March 31, 2009, and since we had no commitments to provide financial support or obligations to perform services or other activities for ViaGen, we suspended the equity method of accounting.

In September 2009, we purchased $3,603,000 in equity from ViaGen and simultaneously Exeter converted its outstanding debt with ViaGen into equity. The new equity purchase did not fund prior ViaGen losses and represented additional financial support to ViaGen. Ownership of ViaGen upon consummation of the transactions was as follows: Exeter – 70%; Geron – 28%; and Smithfield Foods – 2%. Subsequent to our equity purchase, Geron received $1,593,000 from ViaGen in repayment of the 2008 loan, including accrued interest. As the source of funds to repay the loan and accrued interest was derived from our equity purchase, the equity investment in ViaGen was recorded net of the loan and interest payment. With the new investment in 2009, we resumed applying the equity method of accounting by increasing (decreasing) the carrying value of our investment by our proportionate share of ViaGen's earnings (losses).

In November 2010, we provided a new loan of $1,500,000 to ViaGen to fund its operations. Also in November 2010, we agreed to appoint one of our ViaGen board member representatives as executive chairman of the ViaGen board and purchased $23,000 in ViaGen equity directly from another shareholder, Moral Compass Corporation (MCC, previously referred to as Exeter). As of December 31, 2011, ownership of ViaGen was as follows: MCC – 58%; Geron – 40%; and Smithfield Foods – 2%.

Since ViaGen does not have sufficient equity to finance its own activities without additional subordinated financial support, it meets the definition of a VIE. By providing financial support to ViaGen, we are a variable interest holder. However as of December 31, 2011, we lack the power to direct activities that most significantly impact ViaGen's economic performance. Although one of our ViaGen board representatives serves as executive chairman of the ViaGen board, he has no additional rights or obligations to direct ViaGen's activities. Control over ViaGen's economic performance is driven by the ViaGen management team with authorization and approval from the entire ViaGen board, which as of December 31, 2011 was comprised of two Geron representatives and two MCC representatives. As the majority holder of the equity and debt of ViaGen, MCC maintains controlling financial interest over the company, including the right to appoint a third board member giving them majority control of the ViaGen board. Accordingly, we have not included ViaGen's financial information with our consolidated results.

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Geron's November 2010 loan represented additional financial support to ViaGen and funded approximately $900,000 in prior losses of the company, which has been included in losses recognized under equity method investment in our consolidated statements of operations in 2010. In addition, in connection with the equity method of accounting for the years ended December 31, 2011, 2010 and 2009, we recognized $503,000, $1,447,000 and $1,338,000, respectively, for our proportionate share of ViaGen's operating losses. Our share of losses also has been recorded in the consolidated statements of operations under losses recognized under equity method investment.

Our maximum exposure to loss pertaining to ViaGen represents the balance sheet carrying amount of our investment in ViaGen which reflects the initial amount of cash invested less our proportionate share of losses over time. The adjusted basis of our investment in ViaGen at December 31, 2011 and 2010 was zero and $503,000, respectively, which is reflected under investments in licensees on our consolidated balance sheets. We suspended the equity method of accounting during the quarter ended June 30, 2011 since the adjusted basis of our investment was zero at June 30, 2011 and we have no commitments to provide financial support or obligations to perform services or other activities for ViaGen.

4. PROPERTY AND EQUIPMENT

Property and equipment, stated at cost, is comprised of the following:

	December 31,	
	2011	2010
	(In thousands)	
Furniture and computer equipment	$ 2,748	$ 2,716
Lab equipment	9,676	9,381
Leasehold improvements	6,115	5,901
	18,539	17,998
Less accumulated depreciation and amortization	(17,298)	(14,910)
	$ 1,241	$ 3,088

5. EQUIPMENT LINE

In 2009, we renewed our equipment financing facility and had approximately $500,000 available for borrowing as of December 31, 2011 and 2010. This facility is secured by a certificate of deposit. Any outstanding principal balance bears a fixed interest rate equal to one and one-half percentage point above the Prime Rate. No amounts were due under this facility as of December 31, 2011 and 2010.

6. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31,	
	2011	2010
	(In thousands)	
Sponsored research agreements	$ 417	$ 429
Service provider obligations	511	712
Clinical trials	1,505	388
Other	1,208	1,115
	$ 3,641	$ 2,644

7. RESTRUCTURING

On November 14, 2011, we announced the decision to focus exclusively on the development of our oncology programs and consequently, we discontinued further development of our stem cell programs. With this decision, a total of 66 full-time positions were eliminated, of which as of February 1, 2012, 14 employees are continuing to provide services through various dates in the first half of 2012. In connection with the restructuring, we recorded aggregate restructuring charges of approximately $5,449,000, of which $4,575,000 related to one-time termination benefits, including $174,000 of non-cash stock-based compensation expense relating to the extension

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of the post-termination exercise period for certain stock options previously granted to terminated employees to June 30, 2013 and December 31, 2013, and $874,000 related to write-downs of excess lab equipment and leasehold improvements and other charges.

We may incur additional charges as a result of the restructuring as we exit one of the three buildings in which we lease space in Menlo Park, California, which will be recorded as they are determined. We also plan to sell any excess equipment, the net proceeds of which may offset some of these future charges. We expect the restructuring will result in aggregate cash expenditures of approximately $4,401,000, of which $671,000 related to one-time termination benefits was paid as of December 31, 2011 and approximately $3,730,000 related to one-time termination benefits is expected to be paid during 2012.

The components relating to the restructuring charges in our consolidated statements of operations are summarized in the following table (in thousands):

	Employee Severance And Other Benefits	Excess Equipment	Stock-Based Compensation	Total
Restructuring charge	$ 4,401	$ 874	$ 174	$ 5,449
Cash payments	(671)	—	—	(671)
Adjustments or non-cash credits	—	(874)	(174)	(1,048)
Ending accrual balance as of December 31, 2011	$ 3,730	$ —	$ —	$ 3,730

8. LONG-TERM DEBT

Effective August 1, 2011, we entered into a Loan Agreement with the California Institute for Regenerative Medicine (CIRM) solely to support development of our human embryonic stem-cell derived oligodendrocyte progenitor therapy (GRNOPC1) for the treatment of spinal cord injury. Under the Loan Agreement, CIRM was scheduled to disburse an aggregate of approximately $24,847,000 to us over a period of three years commencing on August 1, 2011 and ending on July 31, 2014. In certain cases, the disbursements were conditioned upon the achievement of project milestones. The interest rate for each quarterly disbursement of the loan was equal to the one-year London Interbank Offered Rate (LIBOR) plus 2%. Interest was compounded annually on the principal amount from the date of the applicable disbursement. Repayment of the principal and any accrued interest was due and payable at the end of the initial term of five years (August 1, 2016). Repayment of principal and interest could have been suspended if the supported project was abandoned for any reason. Any principal or interest amount that had not been due and payable for 15 years after the granting of a suspension of repayment automatically would have been forgiven by CIRM.

In 2011 we received an aggregate total of $6,422,000 in disbursements under the Loan Agreement with CIRM. On November 14, 2011, in connection with our decision to focus exclusively on the development of our oncology programs, we repaid $6,459,000 to CIRM, representing the entire amount of the outstanding principal balance under the Loan Agreement with CIRM, including accrued interest of $37,000. In addition, we relinquished our right to future disbursements under the Loan Agreement and gave notice of termination. With the repayment of the entire outstanding balance to CIRM, we have no further amounts owed to CIRM.

In connection with each disbursement under the Loan Agreement, we were obligated to issue to CIRM a warrant to purchase Geron common stock. The number of shares underlying each of the warrants was equal to 50% of the applicable disbursement amount divided by the average of the closing sales prices of Geron common stock as reported by the Nasdaq Global Select Market for the ten consecutive trading days immediately preceding the corresponding disbursement (Average Closing Price). The exercise price of each warrant was equal to the Average Closing Price preceding the issuance of the warrant. Each of the warrants and the underlying common stock were unregistered and each warrant has a term of ten years from the respective date of issuance. As of December 31, 2011, warrants to purchase an aggregate of 999,275 shares of Geron common stock have been issued to CIRM in accordance with the terms of the Loan Agreement, and we have no further obligations to issue any additional warrants to CIRM.

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The carrying value of the CIRM loan was determined by allocating the proceeds between the fair value of the debt and the warrants issued to CIRM using the relative fair value method. The fair value of the warrants was estimated using the Black Scholes option-pricing model at the time of issuance. The discount resulting from the allocation of proceeds between the fair values of the debt and warrants was being amortized to interest expense and accreted to the principal face value of the debt using the effective interest rate method. In 2011 we recognized $88,000 of interest expense related to the CIRM loan, which included amortized debt discount of $51,000 and accrued interest of $37,000. With full repayment of the CIRM loan in November 2011, we recognized $1,664,000 as a loss from debt extinguishment in our consolidated statements of operations for the remaining unamortized debt discount on the loan.

9. COMMITMENTS AND CONTINGENCIES

Operating Lease Commitment

In March 2008, as payment of the total rent due for our premises at 200 Constitution Drive and 230 Constitution Drive in Menlo Park, California, for the period from August 1, 2008 through July 31, 2012, we issued to the lessor of those premises 742,158 shares of our common stock. The fair value of the common stock of $3,191,000 was recorded as a prepaid asset and is being amortized to rent expense on a straight-line basis over the lease period.

In January 2010, we extended the lease at our premises at 149 Commonwealth Drive. In January 2010 and April 2010, we issued an aggregate of 187,999 shares of our common stock to the lessor of those premises in payment of our monthly rental obligation from May 1, 2010 through July 31, 2012. The fair value of the common stock issuances of $1,129,000 was recorded as a prepaid asset and is being amortized to rent expense on a straight-line basis over the lease period.

Future minimum payments under non-cancelable operating leases are zero through July 31, 2012, as a result of the prepayments of rent with our common stock. Rent expense under operating leases was approximately $1,311,000, $1,323,000 and $1,324,000 for the years ended December 31, 2011, 2010 and 2009, respectively.

Severance Plan

We have a Change of Control Severance Plan (the Severance Plan) that applies to all employees, and provides for each employee to receive a severance payment upon a triggering event following a change of control. A triggering event is defined as an event where: (i) an employee is terminated by us without cause in connection with a change of control or within 12 months following a change of control; or (ii) an employee is not offered comparable employment (new or continuing) by us or our successor or acquirer within 30 days after the change of control or any employment offer is rejected; or (iii) after accepting (or continuing) employment with us after a change of control, an employee resigns within six months following a change of control due to a material change in the terms of employment. Severance payments range from two to 18 months of base salary, depending on the employee's position with us, payable in a lump sum payment. We have not made any payments under our Severance Plan.

Indemnifications to Officers and Directors

Our corporate bylaws require that we indemnify our officers and directors, as well as those who act as directors and officers of other entities at our request, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceedings arising out of their services to Geron. In addition, we have entered into separate indemnification agreements with each of our directors which provide for indemnification of these directors under similar circumstances and under additional circumstances. The indemnification obligations are more fully described in our bylaws and the indemnification agreements. We purchase standard insurance to cover claims or a portion of the claims made against our directors and officers. Since a maximum obligation is not explicitly stated in our bylaws or in our indemnification agreements and will depend on the facts and circumstances that arise out of any future claims, the overall maximum amount of the obligations cannot be reasonably estimated. The fair value of these obligations was zero on our consolidated balance sheets as of December 31, 2011 and 2010.

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10. STOCKHOLDERS' EQUITY

Warrants

As of December 31, 2011, the following warrants to purchase our common stock were outstanding and classified as equity:

Issuance Date	Exercise Price	Number of Shares	Exercisable Date	Expiration Date
November 2011	$ 2.32	461,382	November 2011	November 2021
August 2011	$ 3.98	537,893	August 2011	August 2021
September 2009	$ 9.00	150,000	September 2009	September 2014
October 2007	$ 7.42	25,000	October 2007	October 2012
September 2007	$ 7.19	100,000	September 2007	September 2012
April 2005	$ 3.75	470,000	April 2005	April 2015
March 2000	$ 17.50	200,000	March 2000	March 2012
March 2000	$ 12.50	100,000	March 2000	March 2012
		2,044,275		

Pursuant to our Loan Agreement with CIRM, we were obligated to issue to CIRM warrants to purchase our common stock in connection with each disbursement. In connection with the disbursements received from CIRM in November 2011 and August 2011, we issued to CIRM warrants to purchase 461,382 and 537,893 shares of our common stock at an exercise price of $2.32 and $3.98 per share, respectively. The exercise price of each warrant was equal to the average closing sales prices of our common stock as reported by the Nasdaq Global Select Market for the ten consecutive trading days immediately preceding the corresponding disbursement. Each of the warrants and the underlying common stock were unregistered and each warrant has a term of ten years from the respective date of issuance. We have no further obligations to issue any additional warrants to CIRM. For further discussion regarding the CIRM loan and warrants, see Note 8 on Long-Term Debt.

In April 2009 in connection with our continued collaboration with an investor and licensee and the data received under the collaboration relevant to Geron's therapeutic programs, we modified the terms of certain outstanding warrants held by this investor by extending the exercise term and reducing the exercise price. The exercise term of warrants to purchase 200,000 shares of common stock was extended to March 9, 2012 from March 9, 2010 and the exercise price was modified to $17.50 per share from $67.09 per share. The exercise term of warrants to purchase 100,000 shares of common stock was extended to March 9, 2012 from March 9, 2010 and the exercise price was unchanged at $12.50 per share. In connection with the modifications, we recognized a deemed dividend of approximately $190,000 in our consolidated statements of operations for the incremental fair value of the modified warrants, as calculated using the Black Scholes option-pricing model as of the modification date.

Equity Plans

1992 Stock Option Plan

The 1992 Stock Option Plan (1992 Plan) expired in August 2002 and no further option grants can be made from the 1992 Plan. The options granted under the 1992 Plan were either incentive stock options or nonstatutory stock options. Options granted under the 1992 Plan expire no later than ten years from the date of grant. For incentive stock options and nonstatutory stock options, the option exercise price was at least 100% and 85%, respectively, of the fair market value of the underlying common stock on the date of grant. Options to purchase shares of common stock generally vested over a period of four or five years from the date of the option grant, with a portion vesting after six months and the remainder vesting ratably over the remaining period.

2002 Equity Incentive Plan

In May 2002, our stockholders approved the adoption of the 2002 Equity Incentive Plan (2002 Plan) to replace the 1992 Plan. In connection with the adoption of the 2011 Incentive Award Plan (see below), no further grants may be made from the 2002 Plan. Options granted under the 2002 Plan expire no later than ten years from the date of grant. For incentive stock options, the exercise price was equal to 100% of the fair market value of the underlying common stock on the date of grant. Exercise prices for all other stock options were determined by the Board of

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Directors. Service-based stock options under our 2002 Plan generally vest over a period of four years from the date of the option grant, with a portion vesting after six months and the remainder vesting ratably over the remaining period. Stock purchase rights (restricted stock awards and restricted stock units) have variable vesting schedules and purchase prices were determined by our Board of Directors on the date of grant.

2011 Incentive Award Plan

In May 2011, our stockholders approved the adoption of the 2011 Incentive Award Plan (2011 Plan) to replace the 2002 Plan. Our Board of Directors administers the 2011 Plan. The 2011 Plan provides for grants to employees of us or of our subsidiary (including officers and employee directors) of either incentive stock or nonstatutory stock options and stock purchase rights to employees (including officers and employee directors) and consultants (including non-employee directors) of us or of our subsidiary. As of December 31, 2011, we had reserved an aggregate of approximately 18,286,000 shares of common stock for issuance under the 2011 Plan. Pursuant to the terms of the 2011 Plan, any shares subject to outstanding stock options originally granted under the 1992 Plan, 1996 Directors Plan or 2002 Plan, or outstanding unvested restricted stock awards originally granted under the 2002 Plan, that expire or terminate for any reason prior to exercise or settlement or are forfeited because of the failure to meet a contingency or condition required to vest such shares shall become available for issuance under the 2011 Plan. Options granted under the 2011 Plan expire no later than ten years from the date of grant. For incentive stock options, the exercise price shall be equal to 100% of the fair market value of the underlying common stock on the date of grant. Exercise prices for all other stock options are determined by the Board of Directors. If, at the time we grant an option, the optionee directly or by attribution owns stock possessing more than 10% of the total combined voting power of all classes of our stock, the option price shall be at least 110% of the fair market value of the underlying common stock and shall not be exercisable more than five years after the date of grant.

We grant service-based stock options under our 2011 Plan that generally vest over a period of four years from the date of the option grant, with a portion vesting after six months and the remainder vesting ratably over the remaining period. Stock purchase rights (restricted stock awards and restricted stock units) have variable vesting schedules and purchase prices as determined by the Board of Directors on the date of grant.

Under certain circumstances, options may be exercised prior to vesting, subject to our right to repurchase shares subject to such option at the exercise price paid per share. Our repurchase rights would generally terminate on a vesting schedule identical to the vesting schedule of the exercised option. In 2011, we did not repurchase any shares under the 2011 Plan. As of December 31, 2011, no shares outstanding were subject to repurchase.

1996 Directors' Stock Option Plan

The 1996 Directors' Stock Option Plan (1996 Directors Plan) expired in July 2006 and no further option grants can be made from the 1996 Directors Plan. The options granted under the 1996 Directors Plan were nonstatutory stock options and expired no later than ten years from the date of grant. The option exercise price was equal to the fair market value of the underlying common stock on the date of grant. Options to purchase shares of common stock generally were 100% vested upon grant, except for options granted upon first appointment to the Board of Directors (First Option). The First Option vested annually over three years upon each anniversary date of appointment to the Board. The options issued pursuant to the 1996 Directors Plan remain exercisable for up to 90 days following the optionee's termination of service as our director, unless such termination is a result of death or permanent and total disability, in which case the options (both those already exercisable and those that would have become exercisable had the director remained on our Board of Directors for an additional 36 months) remain exercisable for up to a 24 month period.

2006 Directors' Stock Option Plan

In May 2006, our stockholders approved the adoption of the 2006 Directors' Stock Option Plan (2006 Directors Plan) to replace the 1996 Directors Plan. As of December 31, 2011, we had reserved an aggregate of 2,500,000 shares of common stock for issuance under the 2006 Directors Plan. The 2006 Directors Plan provides for the automatic grant of the following types of equity awards.

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First Option. Each person who becomes a non-employee director, whether by election by the Geron stockholders or by appointment by the Board of Directors to fill a vacancy, will automatically be granted an option to purchase 60,000 shares of common stock on the date such person first becomes a non-employee director (the First Option).

Subsequent Awards. Each non-employee director (other than the Chairman of the Board of Directors and any director receiving a First Option on the date of the annual meeting) will automatically be granted a subsequent option on the date of the Annual Meeting of Stockholders in each year during such director's service on the Board (a Subsequent Option) to purchase 10,000 shares of common stock and a restricted stock award (a Subsequent Stock Award) of 5,000 shares of common stock. In the case of the Chairman of the Board, the Subsequent Option will be for 20,000 shares of common stock and the Subsequent Stock Award shall be for 10,000 shares of common stock.

Committee Chair Service Awards. On the date of each Annual Meeting of Stockholders, the Chairman of the Audit Committee receives an option to purchase 8,000 shares of common stock (a Committee Chair Service Option), and a restricted stock award (a Committee Chair Service Stock Award) of 4,000 shares of common stock. The Committee Chair Service Option for the Compensation Committee Chairman and the Nominating and Corporate Governance Committee Chairman shall be for 4,000 shares of common stock and the Committee Chair Service Stock Award shall be for 2,000 shares of common stock.

Committee Service Awards. On the date of each Annual Meeting of Stockholders, each non-employee director who continues to serve on the Audit Committee, the Compensation Committee, Nominating and Corporate Governance Committee or another designated standing committee of the Board shall receive, an option to purchase 2,000 shares of common stock (a Committee Service Option) and a restricted stock award of 1,000 shares of common stock (a Committee Service Stock Award), other than the Chairman of such committee.

The 2006 Directors Plan provides that each First Option vests annually over three years upon each anniversary date of appointment to the Board. Each Subsequent Option, Committee Chair Service Option, and Committee Service Option is fully vested on the date of its grant. Each Subsequent Stock Award, Committee Chair Service Stock Award and Committee Service Stock Award vests annually in four equal installments over four years commencing on the date of grant and no payment shall be required from the non-employee director in order to receive the award. Options under the 2006 Directors Plan remain exercisable for up to three years following the optionee's termination of service as our director, unless such termination is a result of death or permanent and total disability, in which case the options (both those already exercisable and those that would have become exercisable had the director remained on our Board of Directors for an additional 36 months) remain exercisable for up to a 24 month period or unless there is a death of an optionee within 3 months following his or her termination of service, in which case the options will remain exercisable for an additional six month period from the date of death. Upon termination of service as our director, any unvested options and restricted stock awards shall return to the 2006 Directors Plan, unless such termination is a result of death or permanent and total disability, in which case any unvested restricted stock awards shall immediately vest.

The exercise price of all options granted under the 2006 Directors Plan is equal to 100% of the fair market value of the underlying common stock on the date of grant. Options granted under the 2006 Directors Plan have a term of ten years.

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Aggregate option and award activity for the 1992 Plan, 2002 Plan, 2011 Plan, 1996 Directors Plan and 2006 Directors Plan is as follows:

		Outstanding Options			
	Shares Available For Grant	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (In thousands)
Balance at December 31, 2010	5,570,506	12,881,648	$ 6.68		$ 3,298
Additional shares authorized	14,000,000	—	$ —		
Options granted	(3,371,450)	3,371,450	$ 3.81		
Awards granted	(3,463,714)	—	$ —		
Options exercised	—	(46,655)	$ 3.94		
Options canceled/forfeited	1,850,895	(1,850,895)	$ 10.59		
Awards canceled/repurchased	404,636	—	$ —		
1992 Plan and 1996 Directors Plan options expired	(517,375)	—	$ 18.46		
Balance at December 31, 2011	14,473,498	14,355,548	$ 5.51	5.23	$ 1
Options exercisable at December 31, 2011		10,109,076	$ 6.02	3.84	$ —
Options fully vested and expected to vest at December 31, 2011		13,995,189	$ 5.55	5.14	$ 1

The aggregate intrinsic value in the preceding table represents the total intrinsic value, based on Geron's closing stock price of $1.48 per share as of December 31, 2011, which would have been received by the option holders had all the option holders exercised their options as of that date.

There were no options granted with an exercise price below fair market value of our common stock on the date of grant in 2011, 2010 or 2009. There were no options granted with an exercise price greater than fair market value of our common stock on the date of grant in 2011, 2010 or 2009. As of December 31, 2011, 2010 and 2009, there were 10,109,076, 9,706,299 and 8,003,110 exercisable options outstanding at weighted average exercise prices per share of $6.02, $6.99 and $7.33, respectively.

The total pretax intrinsic value of stock options exercised during 2011, 2010 and 2009 was $56,000, $110,000 and $747,000, respectively. Cash received from the exercise of options in 2011, 2010 and 2009 totaled approximately $184,000, $268,000 and $1,793,000, respectively. No income tax benefit was realized from stock options exercised in 2011 since we reported an operating loss.

Information about stock options outstanding as of December 31, 2011 is as follows:

	Options Outstanding		
Exercise Price Range	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (In years)
$ 1.37 – $ 4.30	3,506,713	$ 3.29	5.50
$ 4.31 – $ 5.23	2,812,022	$ 4.80	7.03
$ 5.24 – $ 6.40	2,907,347	$ 5.80	5.20
$ 6.41 – $ 11.07	5,129,466	$ 7.24	4.07
$ 1.37 – $ 11.07	14,355,548	$ 5.51	5.23

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Aggregate restricted stock activity for the 2002 Plan, 2011 Plan and 2006 Directors Plan is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value Per Share	Weighted Average Remaining Contractual Term (In years)
Non-vested restricted stock at December 31, 2010	4,710,715	$ 4.79	2.26
Granted [1]	3,463,714	$ 4.29	
Vested	(1,667,408)	$ 5.66	
Canceled/forfeited	(404,636)	$ 4.64	
Non-vested restricted stock at December 31, 2011 [2]	6,102,385	$ 4.28	1.70

(1) Includes 1,204,500 performance-based restricted stock awards (PSAs) that vest only upon achievement of certain strategic goals and 373,000 market-based restricted stock awards (MSAs) that vest only upon achievement of certain market price thresholds. None of the PSAs or MSAs vested during 2011.

(2) Includes 2,960,500 PSAs that have not achieved certain strategic goals and 1,331,000 MSAs that have not achieved certain market price thresholds.

The total fair value of restricted stock that vested during 2011, 2010 and 2009 was $7,402,000, $3,408,000 and $8,633,000, respectively.

Employee Stock Purchase Plan

In July 1996, we adopted the 1996 Employee Stock Purchase Plan (Purchase Plan) and as of December 31, 2011, we had reserved an aggregate of 1,200,000 shares of common stock for issuance under the Purchase Plan. Approximately 725,000 and 619,000 shares have been issued under the Purchase Plan as of December 31, 2011 and 2010, respectively. As of December 31, 2011, 474,544 shares were available for issuance under the Purchase Plan.

Under the terms of the Purchase Plan, employees can choose to have up to 10% of their annual salary withheld to purchase our common stock. An employee may not make additional payments into such account or increase the withholding percentage during the offering period.

The Purchase Plan is comprised of a series of offering periods, each with a maximum duration (not to exceed 12 months) with new offering periods commencing on January 1 and July 1 of each year. The date an employee enters the offering period will be designated his or her entry date for purposes of that offering period. An employee may only participate in one offering period at a time. Each offering period consists of two consecutive purchase periods of six months' duration, with the last day of such period designated a purchase date.

The purchase price per share at which common stock is purchased by the employee on each purchase date within the offering period is equal to 85% of the lower of (i) the fair market value per share of Geron common stock on the employee's entry date into that offering period or (ii) the fair market value per share of common stock on that purchase date. If the fair market value of Geron common stock on the purchase date is less than the fair market value at the beginning of the offering period, a new 12 month offering period will automatically begin on the first business day following the purchase date with a new fair market value.

Effective for the offering period beginning July 1, 2009 and subsequent offering periods, shares purchased under the Purchase Plan shall be registered and available for trading in an open market transaction one year from the date of purchase, and certificates evidencing such shares shall bear a restrictive legend.

Stock-Based Compensation Expense

We measure and recognize compensation expense for all share-based payment awards made to employees and directors, including employee stock options, restricted stock awards and employee stock purchases related to the Purchase Plan, based on estimated grant-date fair values.

Since July 2010, our Board of Directors have awarded to our employees and directors restricted stock awards with vesting schedules based on achievement of certain strategic goals (PSAs) and restricted stock awards with vesting schedules based on achievement of certain market price thresholds of our common stock (MSAs) over three-year performance periods. These restricted stock awards are included in the restricted stock activity table

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above. Recognition of compensation expense for PSAs will commence only once the performance condition is probable of being achieved. We have not recognized any stock-based compensation expense for PSAs in our consolidated statements of operations for the years ended December 31, 2011 and 2010, since we did not believe that the achievement of the performance criteria was probable during that time. Compensation expense for MSAs is being recognized over the derived service periods for the awards using the straight-line method, but is accelerated if the market condition is achieved earlier than estimated. The market price thresholds for the MSAs were not achieved during the years ended December 31, 2011 and 2010.

The following table summarizes the stock-based compensation expense related to share-based payment awards for the years ended December 31, 2011, 2010 and 2009 which was allocated as follows:

	Year Ended December 31,		
	2011	2010	2009
	(In thousands)		
Research and development	$ 5,799	$ 6,625	$ 5,339
Restructuring charges	174	—	—
General and administrative	9,276	7,093	5,236
Stock-based compensation expense included in operating expenses	$ 15,249	$ 13,718	$ 10,575

Modifications to outstanding options and restricted stock awards held by our former Chief Executive Officer and Chief Financial Officer and certain members of our Board of Directors resulted in additional stock-based compensation expense in 2011 which has been reflected in the above table. In addition, stock-based compensation expense has been recognized for the modification of the post-termination exercise period for certain stock options previously granted to employees affected by the November 2011 restructuring. See Note 7 on Restructuring for further discussion of the restructuring.

The fair value of options granted in 2011, 2010 and 2009 has been estimated at the date of grant using the Black Scholes option-pricing model with the following assumptions:

	2011	2010	2009
Dividend yield	0%	0%	0%
Expected volatility range	0.629 to 0.660	0.625 to 0.635	0.630 to 0.633
Risk-free interest rate range	0.88% to 2.37%	1.11% to 2.65%	1.54% to 2.52%
Expected term	5 yrs	5 yrs	5 yrs

The fair value of employee stock purchases in 2011, 2010 and 2009 under the Purchase Plan has been estimated using the Black Scholes option-pricing model with the following assumptions:

	2011	2010	2009
Dividend yield	0%	0%	0%
Expected volatility range	0.278 to 0.584	0.468 to 0.995	0.536 to 1.016
Risk-free interest rate range	0.10% to 0.32%	0.18% to 0.54%	0.28% to 2.38%
Expected term range	6 mos to 12 mos	6 mos to 12 mos	6 mos to 12 mos

Dividend yield is based on historical cash dividend payments, which have been none to date. Expected volatility range is based on historical volatilities of our stock since traded options on Geron stock do not correspond to option terms and trading volume of options is limited. The risk-free interest rate range is based on the U.S. Zero Coupon Treasury Strip Yields for the expected term in effect on the date of grant for an award. The expected term of options is derived from actual historical exercise data and represents the period of time that options granted are expected to be outstanding. The expected term of employees' purchase rights under the Purchase Plan is equal to the purchase period. We grant options under our equity plans to employees, non-employee directors, and consultants for whom the vesting period is generally four years.

As stock-based compensation expense recognized in the consolidated statements of operations for the years ended December 31, 2011, 2010 and 2009 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures but at a minimum, reflects the grant-date fair value of those awards that actually vested in the period. Forfeitures have been estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience.

GERON CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Based on the Black Scholes option-pricing model, the weighted average estimated fair value of employee stock options granted during the years ended December 31, 2011, 2010 and 2009 was $2.06, $2.87 and $3.55 per share, respectively. The weighted average estimated fair value of purchase rights under our Purchase Plan for the years ended December 31, 2011, 2010 and 2009 was $1.20, $1.92 and $3.17 per share, respectively. As of December 31, 2011, total compensation cost related to unvested stock awards not yet recognized, net of estimated forfeitures and assuming no probability of achievement for outstanding PSAs, was $13,138,000, which is expected to be recognized over the next 34 months on a weighted-average basis.

Stock-Based Compensation to Service Providers

We grant options, restricted stock and warrants to purchase common stock to consultants from time-to-time in exchange for services performed for us. In general, the options and restricted stock vest over the contractual period of the consulting arrangement and warrants are fully vested on the grant date. In 2011, we granted options to purchase 46,000 shares to consultants. No options or warrants were granted to consultants in 2010 or 2009. In September 2009, our Chief Scientific Officer for Telomerase Technologies retired and became an advisor to us. In connection with his advisory function, the options and restricted stock awards previously granted to him as an employee continued to vest under the same schedule as he provided services for us, and such awards were accounted for as consultant awards. The fair value of options, restricted stock awards and warrants granted to consultants is being amortized to expense over the vesting term of the respective equity award. In addition, we will record any additional increase in the fair value of the options, restricted stock awards or warrants as the respective equity award vests. We recorded stock-based compensation expense of $114,000, $463,000 and $190,000 for the vested portion of the fair value of options, restricted stock awards and warrants to consultants in 2011, 2010 and 2009, respectively.

We also grant common stock to consultants, vendors and research institutions in exchange for services either performed or to be performed for us. In 2011, 2010 and 2009, we issued 180,954, 1,994,993 and 1,272,438 shares of common stock, respectively, in exchange for goods or services. For these stock grants, we record a prepaid asset equal to the fair market value of the granted shares on the date of grant and amortize to expense on a pro-rata basis as services are performed or goods are received. In 2011, 2010 and 2009, we recognized approximately $4,736,000, $11,235,000 and $7,082,000, respectively, of expense in connection with stock grants to consultants, vendors and research institutions. As of December 31, 2011, $232,000 related to vendor stock grants remained as a prepaid asset which is being amortized to research and development expense on a pro-rata basis as services are incurred or goods are received. Also, we have prepaid our rental obligation for our facilities with common stock and as of December 31, 2011, have a prepaid balance of $758,000 which is being amortized to rent expense on a straight-line basis over the term of the leases until July 31, 2012.

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance as of December 31, 2011 is as follows:

Outstanding stock options	14,355,548
Options and awards available for grant	14,473,498
Employee stock purchase plan	474,544
Warrants outstanding	2,044,275
Total	31,347,865

401(k) Plan

We sponsor a defined-contribution savings plan under Section 401(k) of the Internal Revenue Code covering all full-time U.S. employees (Geron 401K Plan). Participating employees may contribute up to the annual Internal Revenue Service contribution limit. The Geron 401K Plan also permits us to provide discretionary matching and profit sharing contributions. The Geron 401K Plan is intended to qualify under Section 401 of the Internal Revenue Code so that contributions by employees or by us, and income earned on the contributions, are not taxable to employees until withdrawn from the Geron 401K Plan. Our contributions, if any, will be deductible by us when made.

GERON CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

In December 2011, 2010 and 2009, our Board of Directors approved a matching contribution equal to 100% of each employee's 2011, 2010 and 2009 contributions, respectively. The matching contributions are invested in our common stock and vest ratably over four years for each year of service completed by the employee, commencing from the date of hire, until it is fully vested when the employee has completed four years of service. We provided the matching contribution in the month following Board approval.

For the vested portion of the 2011 match under this plan, we recorded $1,179,000 as research and development expense and $288,000 as general and administrative expense. For the vested portion of the 2010 match under this plan, we recorded $1,051,000 as research and development expense and $243,000 as general and administrative expense. For the vested portion of the 2009 match under this plan, we recorded $790,000 as research and development expense and $182,000 as general and administrative expense. As of December 31, 2011, approximately $397,000 remained unvested for the 2010, 2009 and 2008 matches which will be amortized as the corresponding years of service are completed by the employees.

11. LICENSE AGREEMENTS

GE Healthcare UK Limited

In June 2009, we entered into a worldwide exclusive license and alliance agreement with GE Healthcare UK, Limited (GEHC) to develop and commercialize cellular assay products derived from human embryonic stem cells (hESCs) for use in drug discovery, development and toxicity screening. Under the terms of the agreement, GEHC has been granted an exclusive license under Geron's intellectual property portfolio covering the growth and differentiation of hESCs, as well as a sublicense under Geron's rights to the hESC patents held by the Wisconsin Alumni Research Foundation. We established a multi-year alliance program with GEHC under which scientists from both companies worked to develop hESC-based products for drug discovery. The first product developed under the alliance, human cardiomyocytes derived from hESCs, was launched in October 2010 by GEHC.

In connection with the agreement, we received upfront non-refundable license payments under the exclusive license and sublicense and can receive milestone payments upon achievement of certain commercial development and product sales events and royalties on future product sales. Under the alliance program, GEHC was responsible for all costs incurred by GEHC and all costs incurred by us for activities undertaken at Geron, including the funding of our scientists who worked on the alliance program. An Alliance Steering Committee, with representatives from each company, coordinated and managed the alliance program.

License payments under the GEHC agreement were recorded as deferred revenue upon receipt and were recognized ratably as revenue over the alliance program period as a result of our continuing involvement with the collaboration. Funding received for our efforts under the alliance program was recognized as revenue as costs were incurred, which reflected our level of effort over the period of the alliance program. Since the milestone payments are subject to substantive contingencies, any such payments will be recognized upon completion of the specified milestones. Royalties received under the agreement will generally be recognized as revenue upon receipt of the related royalty payment. In connection with the GEHC agreement for the years ended December 31, 2011, 2010 and 2009, we recognized $300,000, $925,000 and $450,000, respectively, as revenues from collaborative agreements and $350,000, $1,100,000 and $350,000, respectively, as license fee revenue in our consolidated statements of operations. License fee revenue in 2010 also included a milestone payment in connection with the first commercial sale of a product under the GEHC agreement.

Angiochem, Inc.

On December 6, 2010, we entered into an Exclusive License Agreement with Angiochem, Inc. (Angiochem) that provides us with a worldwide exclusive license, with the right to grant sublicenses, to Angiochem's proprietary peptide technology that facilitates the transfer of anti-cancer compounds across the BBB to be used with tubulin disassembly inhibitors to enable the treatment of primary brain cancers and cancers that have metastasized to the brain. As consideration for the license rights, we paid Angiochem an upfront payment of $7,500,000 in cash and agreed to issue to Angiochem $27,500,000 of shares of Geron common stock on or about January 5, 2011.

We acquired the license rights for Angiochem's proprietary receptor-targeting peptide technology for the clinical development of ANG1005 (now GRN1005), a novel taxane derivative for which Angiochem has performed two Phase 1 clinical trials in brain metastases and glioblastma multiforme. We are currently conducting two Phase 2 clinical trials of GRN1005. Further clinical and process development of GRN1005 is required before any viable

GERON CORPORATION
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commercial application can be identified or utilized. We concluded that this technology has no alternative future use, and accordingly, expensed the total upfront payment of $35,000,000 as acquired in-process research and development at the time of acquisition in 2010.

On January 5, 2011, we issued 5,261,144 shares of common stock to Angiochem as payment of our obligation to issue $27,500,000 of shares of our common stock. In accordance with the Exclusive License Agreement, the number of shares issued to Angiochem was determined using the five-day volume weighted average closing price of our common stock immediately preceding the issuance date. Consistent with our practice for common stock issuances to consultants and vendors in exchange for services either performed or to be performed, we recorded $28,094,000 for the fair market value of the common stock issued to Angiochem, based on the closing price of our common stock on the issuance date. As a result, in 2011 we recognized additional acquired in-process research and development expense of approximately $594,000 for the excess fair market value resulting from the difference between the five-day volume weighted average closing price of our common stock immediately preceding the issuance date and the closing price of our common stock on January 5, 2011, which has been included in the consolidated statements of operations under research and development expense.

12. INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax assets are as follows:

	December 31,	
	2011	2010
	(In thousands)	
Net operating loss carryforwards	$ 230,200	$ 202,900
Purchased technology	22,200	24,100
Research credits	20,100	24,800
Capitalized research and development	19,000	17,100
License fees	1,300	1,600
Other — net	16,700	11,700
Total deferred tax assets	309,500	282,200
Valuation allowance for deferred tax assets	(309,500)	(282,200)
Net deferred tax assets	$ —	$ —

We record net deferred tax assets to the extent we believe these assets will more likely than not be realized. In making such determination, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial performance. Forming a conclusion that a valuation allowance is not required is difficult when there is negative evidence such as cumulative losses in recent years. Because of our history of losses, the net deferred tax assets have been fully offset by a valuation allowance. The valuation allowance increased by $27,300,000, $42,800,000 and $18,900,000 during the years ended December 31, 2011, 2010 and 2009, respectively. Approximately $5,500,000 of the valuation allowance for deferred tax assets relates to benefits of stock option deductions which, when recognized, will be allocated directly to contributed capital.

As of December 31, 2011, we had domestic federal net operating loss carryforwards of approximately $604,400,000 expiring at various dates beginning 2012 through 2031, and state net operating loss carryforwards of approximately $283,700,000 expiring at various dates beginning 2012 through 2031, if not utilized. Our foreign net operating loss carryforwards of approximately $30,200,000 carry forward indefinitely. We also had federal research and development tax credit carryforwards of approximately $12,700,000 expiring at various dates beginning in 2012 through 2031, if not utilized. Our state research and development tax credit carryforwards of approximately $11,100,000 carry forward indefinitely.

Due to the change of ownership provisions of the Tax Reform Act of 1986, utilization of a portion of our domestic net operating loss and tax credit carryforwards may be limited in future periods. Further, a portion of the carryforwards may expire before being applied to reduce future income tax liabilities.

GERON CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

We adopted the provision of the standard for accounting for uncertainties in income taxes on January 1, 2007. Upon adoption, we recognized no material adjustment in the liability for unrecognized tax benefits. At December 31, 2011, we had approximately $10,200,000 of unrecognized tax benefits, none of which would currently affect our effective tax rate if recognized due to our deferred tax assets being fully offset by a valuation allowance.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in thousands):

Balance as of December 31, 2010	$ —
Increase (decrease) related to prior year tax positions	—
Increase (decrease) related to current year tax positions	10,200
Settlements	—
Reductions due to lapse of applicable statute of limitations	—
Balance as of December 31, 2011	$ 10,200

If applicable, we would classify interest and penalties related to uncertain tax positions in income tax expense. Through December 31, 2011, there has been no interest expense or penalties related to unrecognized tax benefits.

We do not currently expect any significant changes to unrecognized tax benefits during the fiscal year ended December 31, 2012. In certain cases, our uncertain tax positions are related to tax years that remain subject to examination by the relevant tax authorities. Tax years for which we have carryforward net operating loss and credit attributes remain subject to examination by federal and most state tax authorities. In significant foreign jurisdictions, primarily Scotland, the 2004 through 2011 tax years generally remain subject to examination by the respective tax authority.

13. SEGMENT INFORMATION

Our executive management team represents our chief decision maker. We view our operations as one segment, the discovery and development of therapeutic and diagnostic products for oncology As a result, the financial information disclosed herein materially represents all of the financial information related to our principal operating segment.

14. CONSOLIDATED STATEMENTS OF CASH FLOWS DATA

	Year Ended December 31,		
	2011	2010	2009
	(In thousands)		
Supplemental operating activities:			
Cash in transit	$ —	$ 2	$ —
Issuance of common stock and warrants to purchase common stock for services rendered to date or to be received in future periods	$ 41	$ 3,098	$ 3,350
Issuance of common stock in payment of stock issuance obligation	$ 27,500	$ —	$ —
Unrealized gain on investments in licensees	$ —	$ —	$ 27
Reclassification between derivative liabilities and equity, net	$ —	$ —	$ 130
Issuance of common stock for 401(k) contributions and year-end bonuses	$ 3,778	$ 972	$ 3,707
Reclassification between deposits and other current assets	$ (180)	$ 131	$ 496
Supplemental investing activities:			
Net unrealized gain (loss) on available-for-sale securities	$ 6	$ 306	$ (472)
Supplemental financing activities:			
Deemed dividend on derivatives	$ —	$ —	$ 190

Cash paid for interest for the years ended December 31, 2011, 2010 and 2009 was $37,000, zero and zero, respectively. There was no cash paid for taxes for the years ended December 31, 2011, 2010 and 2009.

GERON CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands, except per share amounts)			
Year Ended December 31, 2011				
Revenues	$ 1,505	$ 462	$ 220	$ 251
Operating expenses [1]	25,861	21,878	20,156	30,659
Net loss applicable to common stockholders	(24,389)	(21,088)	(19,522)	(31,854)
Basic and diluted net loss per share applicable to common stockholders	$ (0.20)	$ (0.17)	$ (0.16)	$ (0.25)
Year Ended December 31, 2010				
Revenues	$ 918	$ 1,001	$ 546	$ 1,098
Operating expenses [2]	17,395	17,877	18,749	60,709
Net loss applicable to common stockholders	(16,640)	(17,031)	(18,344)	(59,362)
Basic and diluted net loss per share applicable to common stockholders	$ (0.18)	$ (0.18)	$ (0.19)	$ (0.59)

(1) The fourth quarter of 2011 includes approximately $5,449,000 in restructuring charges in connection with the decision to focus exclusively on the development of our oncology programs and discontinue further development of our stem cell programs. See Note 7 on Restructuring.

(2) The fourth quarter of 2010 includes $35,000,000 in acquired in-process research and development expense in connection with the exclusive license agreement with Angiochem. See Note 11 on License Agreements.

Basic and diluted net losses per share are computed independently for each of the quarters presented. Therefore, the sum of the quarters may not be equal to the full year net loss per share amounts.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(I) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934, as amended, (Exchange Act) is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission's (SEC) rules and forms. Our management evaluated, with the participation of our chief executive officer (CEO) and our chief financial officer (CFO), the effectiveness of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) under the Exchange Act. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective, at a reasonable assurance level, as of December 31, 2011 and as of the date of this filing.

There have been no significant changes in Geron's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect internal control over financial reporting during the fiscal quarter ended December 31, 2011.

(II) Management's Report on Internal Control over Financial Reporting

Internal control over financial reporting refers to the process designed by, or under the supervision of, our CEO and CFO, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management is responsible for establishing and maintaining an adequate internal control over financial reporting for the Company. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Under the supervision and with the participation of our management, including our principal executive officer, principal financial officer and principal accounting officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework set forth in "Internal Control — Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework set forth in "Internal Control — Integrated Framework," our management concluded that our internal control over financial reporting was effective as of December 31, 2011. The effectiveness of our internal control over financial reporting as of December 31, 2011 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

JOHN A. SCARLETT, M.D.
President and Chief Executive Officer

GRAHAM K. COOPER
Executive Vice President, Finance and Business Development, and Chief Financial Officer

(III) Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Geron Corporation

We have audited Geron Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Geron Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Geron Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Geron Corporation as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2011 of Geron Corporation and our report dated March 7, 2012 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Redwood City, California
March 7, 2012

ITEM 9B. OTHER INFORMATION

None.

PART III

Certain information required by Part III is omitted from this Annual Report on Form 10-K because the registrant will file with the U.S. Securities and Exchange Commission a definitive proxy statement pursuant to Regulation 14A in connection with the solicitation of proxies for the Company's Annual Meeting of Stockholders expected to be held in May 2012 (the Proxy Statement) not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, and certain information included therein is incorporated herein by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identification of Directors

The information required by this Item concerning our directors is incorporated by reference from the section captioned "Proposal 1: Election of Directors" contained in our Proxy Statement.

Identification of Executive Officers

The information required by this Item concerning our executive officers is set forth in Part I of this Annual Report on Form 10-K.

Code of Ethics

We have adopted a Code of Conduct with which every person who works for Geron is expected to comply. The Code of Conduct is publicly available on our website under the Investor Relations section at www.geron.com. This website address is intended to be an inactive, textual reference only; none of the material on this website is part of this Report. If any substantive amendments are made to the Code of Conduct or any waiver granted, including any implicit waiver, from a provision of the Code to our Chief Executive Officer, Chief Financial Officer or Corporate Controller, we will disclose the nature of such amendment or waiver on that website or in a report on Form 8-K.

Copies of the Code of Conduct will be furnished without charge to any person who submits a written request directed to the attention of our Corporate Secretary, at our offices located at 230 Constitution Drive, Menlo Park, California, 94025.

Section 16(a) Compliance

Information concerning Section 16(a) beneficial ownership reporting compliance is incorporated by reference from the section captioned "Section 16(a) Beneficial Ownership Reporting Compliance" contained in the Proxy Statement.

Audit Committee Report

The information required by this Item is incorporated by reference from the section captioned "Audit Committee Report" contained in the Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from the sections captioned "Certain Transactions," "Compensation Discussion and Analysis," "Executive Compensation Tables" and "Compensation Committee Report" contained in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference from the sections captioned "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plans" contained in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from the sections captioned "Proposal 1: Election of Directors," "Certain Transactions" and "Executive Compensation Tables" contained in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated by reference from the section captioned “Principal Accountant Fees and Services” contained in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) (1) Consolidated Financial Statements

Included in Part II, Item 8 of this Report:

(2) Financial Statement Schedules

Financial statement schedules are omitted because they are not required or the information is disclosed in the financial statements listed in Item 15(a)(1) above.

(3) Exhibits

See Exhibit Index.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GERON CORPORATION

Date: March 7, 2012

By: /s/ GRAHAM K. COOPER
GRAHAM K. COOPER
Executive Vice President, Finance and Business Development, and Chief Financial Officer

POWER OF ATTORNEY

KNOW BY ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints, jointly and severally, John A. Scarlett, M.D., and Graham K. Cooper, and each one of them, attorneys-in-fact for the undersigned, each with the power of substitution, for the undersigned in any and all capacities, to sign any and all amendments to this annual report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitutes, may do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has executed this Power of Attorney as of the date indicated opposite his/her name.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JOHN A. SCARLETT JOHN A. SCARLETT	*President, Chief Executive Officer and Director (Principal Executive Officer)*	March 7, 2012
/s/ GRAHAM K. COOPER GRAHAM K. COOPER	*Executive Vice President, Finance and Business Development, and Chief Financial Officer (Principal Financial Officer)*	March 7, 2012
/s/ OLIVIA K. BLOOM OLIVIA K. BLOOM	*Vice President and Chief Accounting Officer (Principal Accounting Officer)*	March 7, 2012
/s/ KARIN EASTHAM KARIN EASTHAM	*Director*	March 7, 2012
/s/ EDWARD V. FRITZKY EDWARD V. FRITZKY	*Director*	March 7, 2012
/s/ THOMAS HOFSTAETTER THOMAS HOFSTAETTER	*Director*	March 7, 2012
/s/ HOYOUNG HUH HOYOUNG HUH	*Director*	March 7, 2012
/s/ THOMAS D. KILEY THOMAS D. KILEY	*Director*	March 7, 2012
/s/ ROBERT J. SPIEGEL ROBERT J. SPIEGEL	*Director*	March 7, 2012

EXHIBIT INDEX

Exhibit Number	Description	Incorporation by Reference		
		Exhibit Number	Filing	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Registrant	3.1	S-1	June 12, 1996
3.2	Certificate of Amendment of Restated Certificate of Incorporation of the Registrant	3.1	10-Q	July 31, 2006
3.3	Bylaws of Registrant	3.1	8-K	March 19, 2010
4.1	Form of Common Stock Certificate	4.1	S-1	June 12, 1996
4.2	Form of Senior Indenture, between the Registrant and one or more trustees to be named	4.5	S-3	July 9, 2009
4.3	Form of Subordinated Indenture, between the Registrant and one or more trustees to be named	4.6	S-3	July 9, 2009
4.4	Amended and Restated Warrant to purchase 100,000 shares of common stock issued by the Registrant to private investor, Eve M. Patton, dated April 13, 2009	4.1	10-Q	July 31, 2009
4.5	Amended and Restated Warrant to purchase 200,000 shares of common stock issued by the Registrant to private investor, Eve M. Patton, dated April 13, 2009	4.2	10-Q	July 31, 2009
4.6	Common Stock Warrant Agreement issued by the Registrant to University Technology Corporation, dated as of August 27, 2001	4.3	S-3	September 27, 2001
4.7	Form of Common Stock Purchase Warrant issued by the Registrant to certain Purchasers, dated September 9, 2009	4.2	8-K	September 10, 2009
4.8	Form of 2010 Warrant issued by the Registrant to Certain Purchasers, dated January 15, 2010	4.1	8-K	January 15, 2010
10.1	Form of Indemnification Agreement	10.1		
10.2	1992 Stock Option Plan, as amended *	Appendix A	Def 14A	April 9, 2001
10.3	Amended and Restated 1996 Employee Stock Purchase Plan *	10.2	10-Q	July 31, 2009
10.4	1996 Directors' Stock Option Plan, as amended *	Appendix B	Def 14A	April 15, 2003
10.5	Amended and Restated 2002 Equity Incentive Plan *	4.1	S-8	June 4, 2010
10.6	Amended and Restated 2006 Directors' Stock Option Plan *	10.2	10-Q	August 5, 2011
10.7	2011 Incentive Award Plan *	10.1	8-K	May 16, 2011
10.8†	Patent License Agreement between the Registrant and University of Texas Southwestern Medical Center at Dallas, dated September 8, 1992	10.7	S-1	June 12, 1996
10.9†	Intellectual Property License Agreement between the Registrant and University Technology Corporation, dated December 9, 1996	10.30	10-Q	May 13, 1997
10.10†	Exclusive License Agreement between the Registrant and the Regents of the University of California, dated February 2, 1994	10.9	S-1	June 12, 1996
10.11†	First Amendment to Intellectual Property License Agreement by the Registrant and University Technology Corporation, dated July 23, 2001	4.1	S-3	September 27, 2001

Exhibit Number	Description	Incorporation by Reference		
		Exhibit Number	Filing	Filing Date
10.12†	License Amendment Agreement between the Registrant and Transgenomic, Inc., dated June 2, 2003	10.1	10-Q	July 30, 2003
10.13†	License Agreement by and between the Registrant and Merix Bioscience, Inc., dated as of March 6, 2004	10.4	10-Q	July 30, 2004
10.14	Contribution Agreement between the Registrant and ViaGen, Inc., dated August 8, 2008	10.1	8-K	August 12, 2008
10.15†	Exclusive License and Alliance Agreement between the Registrant and GE Healthcare UK Limited, dated June 29, 2009	10.1	8-K	July 2, 2009
10.16	Series A Preferred Stock Purchase Agreement between ViaGen, Inc. and the Registrant, dated September 16, 2009	10.1	10-Q	October 30, 2009
10.17†	Exclusive License Agreement between the Registrant and Angiochem, Inc., dated December 6, 2010	10.22	10-K	February 25, 2011
10.18	Stock Purchase Agreement between the Registrant and Angiochem, Inc., dated January 5, 2011	10.1	8-K	January 7, 2011
10.19†	California Institute for Regenerative Medicine Notice of Loan Award	10.1	10-Q	November 3, 2011
10.20	Employment agreement between the Registrant and David Earp, dated January 21, 2003 *	10.3	10-Q	April 30, 2003
10.21	Employment agreement between the Registrant and Melissa Kelly, dated January 21, 2003 *	10.5	10-Q	April 30, 2003
10.22	Amendment to employment agreement between the Registrant and David Earp, dated December 19, 2008 *	10.23	10-K	February 27, 2009
10.23	Amendment to employment agreement between the Registrant and Melissa Kelly Behrs, dated December 19, 2008 *	10.25	10-K	February 27, 2009
10.24	Offer letter agreement between the Registrant and Stephen Kelsey, dated April 8, 2009 *	10.3	10-Q	July 31, 2009
10.25	Offer letter agreement between the Registrant and Melanie I. Nallicheri, dated February 1, 2011 *	10.3	10-Q	August 5, 2011
10.26	Employment agreement between the Registrant and John A. Scarlett, M.D., dated September 29, 2011 *	10.2	10-Q	November 3, 2011
10.27	Employment agreement between the Registrant and Graham Cooper, dated January 1, 2012 *			
10.28	Transition and Separation Agreement between the Registrant and Thomas B. Okarma, dated February 11, 2011 *	10.35	10-K	February 25, 2011
10.29	Transition and Separation Agreement between the Registrant and David L. Greenwood, dated February 7, 2012 *			
10.30	Separation Agreement between the Registrant and Jane S. Lebkowski, dated December 7, 2011 *			
10.31	Consulting Agreement between the Registrant and Jane S. Lebkowski, dated January 14, 2012 *			

Exhibit Number	Description	Incorporation by Reference		
		Exhibit Number	Filing	Filing Date
10.32	Employment agreement between the Registrant and Stephen N. Rosenfield, dated February 16, 2012 *			
10.33	Amended and Restated Severance Plan, effective December 19, 2008 *	10.27	10-K	February 27, 2009
10.34	Fifth Amendment to Lease by and between the Registrant and David D. Bohannon Organization, dated March 19, 2008	10.1	10-Q	April 30, 2008
10.35	Second Amendment to Lease by and between the Registrant and David D. Bohannon Organization, dated March 19, 2008	10.2	10-Q	April 30, 2008
10.36†	Office Lease Agreement by and between the Registrant and Exponent Realty, LLC, dated February 29, 2012			
14.1	Code of Conduct	14.1	10-K	February 27, 2004
21.1	List of Subsidiaries	21.1		
23.1	Consent of Independent Registered Public Accounting Firm			
24.1	Power of Attorney (see signature page)			
31.1	Certification of Chief Executive Officer pursuant to Form of Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated March 7, 2012			
31.2	Certification of Chief Financial Officer pursuant to Form of Rule 13a-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated March 7, 2012			
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated March 7, 2012 **			
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated March 7, 2012 **			
101	The following materials from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011, formatted in Extensible Business Reporting Language (XBRL) include: (i) Consolidated Balance Sheets as of December 31, 2011 and December 31, 2010, (ii) Consolidated Statements of Operations, Stockholders' Equity, and Cash Flows for each of the three years in the period ended December 31, 2011, and (iv) Notes to Consolidated Financial Statements. ***			

† Confidential treatment has been granted for certain portions of this exhibit. Omitted information has been filed separately with the Securities and Exchange Commission.

* Management contract or compensation plan or arrangement.

** The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K, are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Geron Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-K, irrespective of any general incorporation language contained in such filing.

*** XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Exchange Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

EXHIBIT 10.1

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made effective as of _____, 20 ___ (the "Effective Date") by and between Geron Corporation, a Delaware corporation (the "Company"), and _____ ("Indemnitee").

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The By-laws of the Company permit indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The By-laws, Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the By-laws and Certificate of Incorporation of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, Indemnitee does not regard the protection available under the Company's By-laws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified; and

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as an officer of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any Enterprise), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Company's Certificate of Incorporation, the Company's By-laws, and the DGCL. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as an officer of the Company.

Section 2. Definitions. As used in this Agreement:

(a) References to "agent" shall mean any person who is or was a director, officer, or employee of the Company or a Subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other Enterprise at the request of, for the convenience of, or to represent the interests of the Company or a Subsidiary of the Company.

(b) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(A) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(B) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(C) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) “Corporate Status” describes the status of a person who is or was a director, officer, employee or agent of the Company or of any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(d) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) “Enterprise” shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(f) “Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, 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, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 14(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee’s counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(h) The term “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative legislative, or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him or of any action on his part while acting as director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(i) Reference to “other enterprise” shall include employee benefit plans; references to “fines” shall include any excise tax assessed with respect to any employee benefit plan; references to “serving at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner “not opposed to the best interests of the Company” as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding had no reasonable cause to believe that his conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Company’s Certificate of Incorporation, its Bylaws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his Corporate Status, a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith, including, in the event that the Indemnitee is a not an employee of the Company at the time of such Proceeding, reasonable compensation in connection with preparation and participation in such Proceeding.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to, or a participant or witness in, any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor, including a Proceeding against Indemnitee) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Section 8(a), the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses. In accordance with Section 6 of Article VII of the By-laws of the Company, and notwithstanding any provision of this Agreement to the contrary, the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such action, suit or proceeding. The omission by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to the Section 11(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 8 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if Indemnitee is wholly successful on the underlying claims; if Indemnittee is not wholly successful on the underlying claims, then such indemnification and advancement shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's Certificate of Incorporation, the Company's By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's By-laws, Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a proceeding, as the case may be, 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 the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any 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 papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 16. Duration of Agreement. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his heirs, executors and administrators.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation of the Company, the By-laws of the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 21. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to

Geron Corporation
Attn: Chief Legal Officer
230 Constitution Drive
Menlo Park, California 94025
Fax: 650.473.7750

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

Latham & Watkins LLP
Attn: Alan C. Mendelson, Esq. & Mark V. Roeder, Esq.
140 Scott Drive
Menlo Park, California 94025
Fax: 650.463.2600

or to any other address as may have been furnished to Indemnitee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Previous Agreements. This Agreement supersedes and replaces any and all previous agreements between the Company and Indemnitee covering the subject matter of this Agreement.

Section 26. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

GERON CORPORATION	INDEMNITEE
By: _____	_____
Name:	Name:
Office:	Address:

EXHIBIT 10.27

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is made effective as of the 1st day of January 2012 (the "**Effective Date or Commencement Date**"), by and between Graham Cooper ("**Executive**") and Geron Corporation, a Delaware corporation (the "**Company**").

WHEREAS, the Company desires to employ Executive to provide personal services to the Company, and wishes to provide Executive with certain compensation and benefits in return for Executive's services; and

WHEREAS, Executive wishes to be employed by the Company and provide personal services to the Company in return for certain compensation and benefits;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

ARTICLE I
DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

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

1.2 "**Cause**" means any of the following:

(a) any willful act or omission by Executive constituting dishonesty, fraud or other malfeasance against the Company;

(b) Executive's conviction of a felony under the laws of the United States or any state thereof or any other jurisdiction in which the Company conducts business;

(c) Executive's debarment by the U.S. Food and Drug Administration from working in or providing services to any pharmaceutical or biotechnology company under the Generic Drug Enforcement Act of 1992, or other ineligibility under any law or regulation to perform Executive's duties to the Company; or

(d) Executive's breach of any of the material policies of the Company.

1.3 "**Change in Control**" shall have the meaning set forth in the Plan.

1.4 "**Code**" means the Internal Revenue Code of 1986, as amended.

1.5 "**Company**" means Geron Corporation or its successors in interest.

1.6 "**Comparable Employment**" means employment on terms which provide (a) the same or greater rate of base pay or salary as in effect immediately prior to Executive's termination, (b) the same, equivalent or higher job title and level of responsibility as Executive had prior to Executive's termination, (c) equivalent or higher bonus opportunity as the bonus opportunity for the year preceding the year in which the termination occurs, and d) a principal work location that is both (i) no more than forty-five (45) miles from Executive's principal work location immediately prior to Executive's termination and (ii) no more than thirty (30) miles farther from Executive's principal weekday residence than was Executive's principal work location immediately prior to the termination.

1.7 "**Covered Termination**" means an Involuntary Termination Without Cause that occurs at any time, *provided* that such termination constitutes a "separation from service" within the meaning of Section 409A of the Code and the regulations promulgated thereunder, including Treasury Regulation Section 1.409A-1(h) (a "**Separation from Service**").

1.8 "**Involuntary Termination Without Cause**" means Executive's dismissal or discharge other than (i) for Cause, or (ii) after an involuntary or voluntary filing of a petition under chapter 7 or 11 of 11 USC Section 101 et. seq., an assignment for the benefit of creditors, a liquidation of the company's assets in formal proceeding or otherwise or any other event of insolvency by the Company, in any case, without an offer of Comparable Employment by the Company or a successor, acquirer, or affiliate of the Company. For purposes of this Agreement, the termination of Executive's employment due to Executive's death or disability will not constitute a termination for Cause.

1.9 "**Plan**" means the Company's 2011 Equity Incentive Award Plan, as amended.

ARTICLE II
EMPLOYMENT BY THE COMPANY

2.1 Position and Duties. Subject to the terms set forth herein, the Company agrees to continue to employ Executive in the position of Executive Vice President, Finance and Business Development and Chief Financial Officer, such employment to commence on the Commencement Date. Due to the holiday season, the Board may not be available to elect Executive to his position by unanimous written consent until after January 1, 2012; however, Executive's employment shall commence on January 1, 2012 irrespective of such delayed appointment, if any. During the Executive's employment, Executive will report to the Chief Executive Officer. Executive shall serve in an employee capacity and shall perform such duties as are assigned to Executive by the Chief Executive Officer and, except as otherwise instructed by the Chief Executive Officer, such other duties as are customarily associated with the position of Chief Financial Officer. During Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention (except for vacation periods as set forth herein and reasonable periods of illness or other incapacities permitted by the Company's general employment policies or as otherwise set forth in this Agreement) to the business of the Company.

2.2 Employment at Will. Both the Company and Executive acknowledge and agree that Executive's employment with the Company is "at-will" and not for any specified period of time, and may be terminated at any time by Executive or the Company, with or without Cause, and with or without prior notice; provided, however, that if Executive's employment with the Company is terminated under circumstances that constitute a Covered Termination, Executive will be eligible to receive certain severance payments and benefits as set forth in Article IV below.

2.3 Employment Policies. The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, including but not limited to those policies relating to protection of confidential information and assignment of inventions. In the event of a conflict between the terms of this Agreement and the Company's general employment policies or practices, this Agreement shall control.

ARTICLE III
COMPENSATION

3.1 Base Salary. Executive shall receive for services to be rendered hereunder an annual base salary of $375,000 payable on the regular payroll dates of the Company, subject to increase in the sole discretion of the Board (the "**Base Salary**").

3.2 Bonus. Executive shall be eligible to earn, for each fiscal year of the Company ending during Executive's employment with the Company, an annual discretionary cash bonus (an "**Annual Bonus**") targeted at forty-five percent (45%) of Executive's Base Salary.

3.3 Stock Option. In accordance with the Company's stock option granting practices, on the third Wednesday in the month of the Commencement Date (the "**Grant Date**"), the Compensation Committee of the Board shall grant Executive an option to purchase five hundred thousand (500,000) shares of Company common stock (the "**Option**") having an exercise price equal to the closing trading price of a share of Company common stock on the Grant Date. The Option shall vest with respect to 1/8th of the shares initially subject thereto on the six-month anniversary of the Commencement Date and with respect to $1/48^{th}$ of the shares initially subject thereto on each monthly anniversary of the Commencement Date thereafter, subject to Executive's continued service to the Company through the applicable vesting date, provided, that upon occurrence of a Change of Control, subject to Executive's continued service to the Company through the date of such Change of Control, the Option shall vest and become exercisable with respect to one hundred percent (100%) of the unvested shares subject thereto. The Option shall be exercisable in full on the Grant Date, subject to Executive entering into a restricted stock purchase agreement with respect to any unvested shares. Executive shall be permitted to exercise any or all of the Option, whether or not vested, subject to the Company's right of repurchase. The Option otherwise shall be subject to and governed in all respects by the terms of the Plan and the option agreement to be entered into between the Company and Executive.

3.4 Standard Company Benefits; Vacation. Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the Company's benefit and compensation plans, practices, policies and programs, as in effect from time to time, that are provided by the Company to its senior executives generally. Executive will be eligible for four weeks of vacation per year.

ARTICLE IV
SEVERANCE BENEFITS AND RELEASE

4.1 Severance Benefits. If Executive's employment terminates due to a Covered Termination after the date of execution of this Agreement, Executive shall receive:

(i) Payment of Accrued Obligations Upon Termination of Employment. Upon a termination of Executive's employment for any reason at any time following the Commencement Date, the Company shall pay to Executive in a single lump-sum cash payment as soon as administratively practicable following the date of termination, the aggregate amount of Executive's (A) earned but unpaid Base Salary, and (B) accrued but unpaid vacation pay. In addition, Executive shall be promptly paid for incurred but unreimbursed business expenses upon his submission of such expenses in accordance with the Company's expense reimbursement policies. The amounts set forth in this Section 4.1(i) are collectively referred to as the "**Accrued Obligations**".

(ii) Severance Upon a Covered Termination. If Executive's employment terminates due to a Covered Termination at any time after the Commencement Date, then, in addition to the Accrued Obligations:

(a) Executive shall be paid target Annual Bonus for the fiscal year in which the termination occurs, prorated for the length of service provided during the calendar year through the termination date, payable in a single lump-sum payment within thirty (30) days following the date of termination;

(b) Executive shall be paid an aggregate amount equal to twelve (12) months of Executive's Base Salary in effect on the date of termination, payable to Executive in a single lump-sum amount on the sixtieth (60^{th}) day following the date of termination;

(c) Executive and Executive's covered dependents will be eligible to continue their health care benefit coverage as permitted by COBRA (Internal Revenue Code Section 4980B) at the Company's expense for the lesser of (i) twelve (12) months following the Covered Termination, or (ii) until the Executive and/or Executive's covered dependents are no longer eligible for COBRA (for clarification and as an example, in the event Executive is covered by another health plan, etc.). Thereafter, Executive and Executive's covered dependents shall be entitled to maintain coverage for Executive and Executive's eligible dependents at Executive's own expense for the balance of the period that Executive is entitled to coverage under COBRA; and

(d) the Option, along with any subsequent options or other exercisable equity interest in the Company held by Executive shall remain outstanding and exercisable through the earlier of (i) the second (2^{nd}) anniversary of the date of termination or (ii) the original expiration date of the option or other equity interest.

Notwithstanding the foregoing, the amounts payable under this Article IV, other than the Annual Bonus and the extended exercisability set forth in Section 4.1(d), shall be reduced by the amount of severance or other cash compensation, if any, payable under the Company's Change of Control Severance Plan attached hereto as Exhibit C. For the avoidance of doubt, all amounts payable under this Agreement shall be subject to applicable federal, state, local or foreign tax withholding requirements.

4.2 Parachute Payments. If any payment or benefit Executive would receive in connection with a Change in Control from the Company or otherwise ("**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall be reduced to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order unless Executive elects in writing a different order (provided, however, that such election shall be subject to Company approval): reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of Executive's stock awards unless Executive elects in writing a different order for cancellation.

The Company for general audit purposes shall engage a nationally recognized public accounting firm (the "**Accounting Firm**") to perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The Accounting Firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. If the Accounting Firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

4.3 Release. Notwithstanding the foregoing, Executive's right to receive the amounts provided for in Sections 4.1(ii) and 4.2, and the Change of Control acceleration referenced in Section 3.3 above shall be subject to and conditioned upon Executive's execution and non-revocation of a release of claims in substantially the form attached hereto as Exhibit A (the "**Release**") (as such form may be modified to take into account changes in the law) within fifty (50) days following the termination date. Such Release shall specifically relate to all of Executive's rights and claims in existence at the time of such execution and shall confirm Executive's obligations under the Proprietary Information Agreement (as defined below). It is understood that Executive has a certain period to consider whether to execute such Release, as set forth in the Release, and Executive may revoke such Release within seven (7) business days after execution. In the event Executive does not execute such Release within the applicable period, or if Executive revokes such Release within the subsequent seven (7) business day period, none of the aforesaid benefits set forth in Sections 4.1(ii), 4.2 and the Change of Control acceleration referenced in Section 3.3 shall be payable to Executive under this Agreement and this Agreement shall be null and void.

4.4 Section 409A. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed by the Company at the time of the Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (a) the expiration of the six-month period measured from the date of Executive's Separation from Service or (b) the date of Executive's death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 4.4 shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due under the Agreement shall be paid as otherwise provided herein. For purposes of Section 409A of the Code, Executive's right to receive the payments of compensation pursuant to the Agreement shall be treated as a right to receive a series of separate payments and accordingly, each payment shall at all times be considered a separate and distinct payment.

4.5 Mitigation. Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of the Covered Termination, or otherwise.

ARTICLE V
PROPRIETARY INFORMATION OBLIGATIONS

5.1 Agreement. Executive agrees to abide by the Proprietary Information and Inventions Agreement attached hereto as Exhibit B (the "**Proprietary Information Agreement**").

5.2 Remedies. Executive's duties under the Proprietary Information and Inventions Agreement shall survive termination of Executive's employment with the Company and the termination of this Agreement. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of the Proprietary Information and Inventions Agreement would be inadequate, and Executive therefore agrees that the Company shall be entitled to injunctive relief in case of any such breach or threatened breach.

ARTICLE VI
OUTSIDE ACTIVITIES

6.1 No Other Employment. Except with the prior written consent of the Board, Executive shall not during the term of Executive's employment with the Company, undertake or engage in any other employment, occupation or business enterprise. Notwithstanding the foregoing, during the term of Executive's employment with the Company, Executive may (a) undertake or engage in any other employment, occupation or business enterprise in which Executive is a passive investor, and/or (b) engage in civic and not-for-profit activities, in each case, so long as such activities do not materially interfere with the performance of Executive's duties hereunder.

6.2 No Conflicting Business Interests. During the term of Executive's employment by the Company, except on behalf of the Company, Executive shall not directly or indirectly, whether as an officer, director, stockholder, partner, proprietor, associate, representative, consultant, or in any capacity whatsoever engage in, become financially interested in, be employed by or have any business connection with any other person, corporation, firm, partnership or other entity whatsoever which were known by Executive to compete directly with the Company, throughout the world, in any line of business engaged in (or planned to be engaged in) by the Company; *provided*, *however*, that anything above to the contrary notwithstanding, Executive may own, as a passive investor, securities of any competitor corporation, so long as Executive's direct holdings in any one such corporation shall not in the aggregate constitute more than 1% of the voting stock of such corporation.

ARTICLE VII
NONINTERFERENCE

While employed by the Company, and for one (1) year immediately following the date on which Executive terminates employment or otherwise ceases providing services to the Company, Executive agrees not to interfere with the business of the Company by soliciting or attempting to solicit any employee of the Company to terminate such employee's employment in order to become an employee, consultant or independent contractor to or for any competitor of the Company. Executive's duties under this Article VII shall survive termination of Executive's employment with the Company and the termination of this Agreement.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by telex) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll.

8.2 Section 409A. To the extend applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other such guidance that may be issued after the Commencement Date ("**Section 409A**"). Notwithstanding any provision of this Agreement to the contrary, in the event that following the Commencement Date, the Company determines in good faith that any compensation or benefits payable under this Agreement may not be either exempt from or compliant with Section 409A, the Company may adopt such amendments to this Agreement or adopt other policies or procedures (including amendments, policies and procedures with retroactive effect), or take any other commercially reasonable actions necessary or appropriate to preserve the intended tax treatment of the compensation and benefits payable hereunder, including without limitation actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A, provided, that this Section 8.2 does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments, policies or procedures or to take any other such actions or to create any liability on the part of the Company for any failure to do so.

8.3 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

8.4 Waiver. If either party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

8.5 Complete Agreement. This Agreement and its Exhibit A and Exhibit B constitute the entire agreement between Executive and the Company and are the complete, final, and exclusive embodiment of their agreement with regard to this subject matter (except for the Plan, any successor thereto or the Company's Change of Control Severance Plan). This Agreement supersedes any prior agreement between Executive and the Company or any predecessor employer in its entirety. Executive and the Company acknowledge and agree that this Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein and cannot be modified or amended except in a writing signed by a duly-authorized officer of the Company.

8.6 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

8.7 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

8.8 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign any of Executive's duties hereunder and Executive may not assign any of Executive's rights hereunder, without the written consent of the Company, which shall not be withheld unreasonably.

8.9 Arbitration. In the event of any contractual, statutory or tort dispute or claim relating to or arising out of Executive's employment relationship with the Company (including but not limited to any claims of wrongful termination or age, sex, race, or other discrimination, but not including workers' compensation claims), Executive and the Company agree that all such disputes will be finally resolved by binding arbitration conducted by a single neutral arbitrator associated with the American Arbitration Association in Menlo Park, California. Executive and the Company hereby waive their respective rights to have any such disputes or claims tried to a judge or jury. However, the Company agrees that this arbitration provision will not apply to any claim, by either Executive or the Company, for injunctive relief. The administrative costs of any arbitration proceeding between Executive and the Company and the fees and costs of the arbitrator shall be borne by the Company.

8.10 Attorneys' Fees. If either party hereto brings any action to enforce rights hereunder, each party in any such action shall be responsible for its own attorneys' fees and costs incurred in connection with such action.

8.11 Acknowledgement. Executive acknowledges that Executive (a) has had the opportunity to discuss this matter with and obtain advice from independent counsel of Executive's own choice and has been advised to do so by the Company, (b) has carefully read and fully understands all the provisions of this Agreement, and (c) is knowingly and voluntarily entering into this Agreement. Executive represents that Executive (i) is familiar with the restrictive covenants set forth in the Proprietary Information Agreement and (ii) is fully aware of his/her obligations thereunder.

8.12 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement on the respective dates set forth below:

GERON CORPORATION

By: /s/ John A. Scarlett
John A. Scarlett, MD
Chief Executive Officer

Date: December 21, 2011

Accepted and agreed this 21st day of December, 2011,

/s/ Graham Cooper
Graham Cooper

EXHIBIT A

GENERAL RELEASE

EXHIBIT B

PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

EXHIBIT C

AMENDED AND RESTATED SEVERANCE PLAN

EXHIBIT 10.29

TRANSITION AND SEPARATION AGREEMENT

This Transition and Separation Agreement (the "Agreement") is made effective as of the eighth (8^{th}) day following the date Executive signs this Agreement (the "Effective Date") by and between David L. Greenwood ("Executive") and Geron Corporation (the "Company"), with reference to the following facts:

A. Executive's employment with the Company will end effective upon the Termination Date (as defined below).

B. Executive and the Company want to end their relationship amicably and also to establish the obligations of the parties including, without limitation, all amounts due and owing to the Executive.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Employment Separation Date; Board Resignation.

(a) Executive acknowledges and agrees that his status as an officer and employee of the Company will end effective as of December 31, 2011 (the "Termination Date"). Executive also hereby resigns his membership and all positions that he holds on the Company's Board of Directors.

(b) Executive will continue to serve, at the discretion of the Company, on the following Boards of Directors of the Company's partners and affiliates (each, a "P & A Board"): Clone International Pty. Ltd., ViaGen, Inc. and Geron Bio-Med Ltd. Executive's service on each P & A Board shall be as a Company Consultant pursuant to the Transition Consulting Services described in Section 2 of this Agreement and shall qualify Executive as a "Service Provider" and/or "Eligible Individual" under all of the Company's equity Plans and Executive's related equity agreements. The operative indemnification agreement ("Indemnification Agreement") between Executive and the Company, attached as Exhibit C, shall remain in full force and effect and cover Executive during Executive's service on the P & A Board(s).

2. Transition Consulting Services.

(a) *Consulting Period*. During the period of time (the "Consulting Period") commencing on the Termination Date and ending on the Consulting Period End Date (as defined below), Executive shall be available to provide services to the Company, on a non-exclusive basis, as a consultant and shall provide such transition services as necessary in Executive's areas of expertise and work experience and responsibility as may be requested by the Chief Executive Officer or Chief Financial Officer of the Company (collectively, the "Transition Services"). During the Consulting Period, Executive may become an employee or consultant of any other Company, *provided*, that he remains in compliance with that certain Proprietary Information and Inventions Agreement entered into between Executive and the Company as of July 28, 1995 (the "Confidentiality Agreement"), and further provided that he does not violate his fiduciary obligations to any P & A Boards on which he continues to serve. For the purposes of this Section 2(a), "Consulting Period End Date" shall mean March 31, 2012 or such earlier date as determined by the Company in the event the Transition Services are not performed to the reasonable satisfaction of the Company, *provided*, that the Consulting Period End Date may be extended through June 30, 2012 upon the mutual agreement of the Company and Executive in substantially the form attached hereto as **Exhibit A** and the term "Consulting Period End Date" shall refer to such extended date, and further provided that the "Consulting Period End Date" shall be further extended in the event Executive continues to serve as the Company's representative on one or more P & A Boards.

(b) *Consulting Fees*. In exchange for the performance of the Transition Services, the Company shall pay to Executive consulting fees as an independent contractor in the amount of four hundred dollars ($400) per hour (the "Consulting Fees"), *provided*, that, except to the extent required to meet Executive's fiduciary obligations to the P & A Boards (and their companies) in no event shall Executive perform services for more than two (2) days in any week without the prior written approval of the Chief Executive Officer or Chief Financial Officer of the Company. The Consulting Fees will be paid to Executive in accordance with the Company's standard payment procedures for consultants and independent contractors.

(c) *Benefits*. As an independent contractor, Executive understands and agrees that, while performing any services for the Company after the Termination Date, Executive shall not be eligible to participate in or accrue benefits under any Company benefit plan to the extent Executive's eligibility for the plans or benefits is based on Executive being a current employee of the Company. To the extent that Executive were deemed eligible to participate, as a current employee, in any Company benefit plan, he hereby waives his participation. Nothing in this Section 2(c) shall in any way affect Executive's right to participate in the Company's Aetna Open Access Managed Choice (Open Access Gatekeeper PPO Medical Plan) ("Aetna Plan") pursuant to the terms of the Aetna Plan and/or Section 4(c) of this Agreement.

(d) *Stock Options*. During the Consulting Period, Executive's options to purchase shares of Company common stock shall continue to vest and become exercisable in accordance with their original vesting schedules. The attached Exhibit B details Executive's vested and unvested shares subject to Executive's options. Upon the completion of the Consulting Period, Executive's options shall cease vesting and any unvested shares subject to options as of such date shall automatically terminate for no consideration, *provided*, that Executive's outstanding options for vested shares shall remain exercisable until the earlier of (i) the second (2^{nd}) anniversary of the Termination Date or (ii) the original 10 year expiration date of the applicable option. If, by the date that is twenty-four (24) months following the Termination Date, Executive has not exercised the outstanding options to purchase vested shares in accordance with the procedures set forth in Executive's option agreements, such options shall terminate and be of no further effect. Notwithstanding the immediately preceding sentence, in the event Executive is in possession of material non-public information about the Company or the Company has prohibited Executive from selling Company stock on or within 30 days of the second (2^{nd}) anniversary of the Termination Date, then each of Executive's outstanding options for vested shares shall remain exercisable until the earlier of (i) the date that is 30 days after the Executive is no longer in possession of material non-public information about the Company and/or the date that is 30 days after the Company removes its prohibition regarding the Executive's ability to sell Company stock, or (ii) the original 10 year expiration date of the applicable option. In the event Executive ceases to provide the Transition Services, Executive's options for unvested shares shall be forfeited as of the date of such cessation of services. After April 12, 2012, Executive's outstanding incentive stock options (ISOs) (vested and unvested) will convert to nonstatutory stock options (NSOs) in accordance with IRS rules. This conversion does not affect the exercisability or vesting schedule of such options. Executive acknowledges that upon the execution of this Agreement, each unexercised "incentive stock option" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), shall be deemed modified for the purposes of Section 424 of the Code, and, to the extent the exercise price thereof is less than the fair market value of a share of Company common stock on the date this Agreement is executed, such option shall no longer qualify as an incentive stock option, but instead shall constitute a nonstatutory stock option. This conversion does not affect the exercisability or vesting schedule of such options. Executive further acknowledges and agrees that all outstanding vested options that have not been exercised as of the three-month anniversary of the Termination Date shall no longer qualify as incentive stock options, but instead shall constitute nonstatutory stock options**.** This conversion does not affect the exercisability or vesting schedule of such options.

(e) *Restricted Stock*. The Company and Executive acknowledge and agree that, as of the Termination Date, Executive holds 598,750 unvested shares of Company common stock subject to a risk of forfeiture (collectively, the "Restricted Stock Awards"), of which 300,000 shares are subject to vesting upon the attainment of certain performance goals (collectively, the "Performance-Based Restricted Stock Awards") and 298,750 shares are subject to vesting based solely upon Executive's continued service to the Company (collectively, the "Time-Based Restricted Stock Awards"). Notwithstanding anything in the agreements evidencing the Restricted Stock Awards to the contrary, no Restricted Stock Award shall be forfeited or cease vesting upon the Termination Date. Instead, (i) each Time-Based Restricted Stock Award shall remain unvested and subject to a risk of forfeiture through the end of the Consulting Period and shall vest in accordance with the terms of the Restricted Stock Award agreement associated with the applicable Time-Based Restricted Stock Award, and (ii) through the end of the Consulting Period each Performance-Based Restricted Stock Award shall remain unvested and subject to a risk of forfeiture and will vest in accordance with the terms of the Restricted Stock Award agreement associated with each Performance-Based Restricted Stock Award. In the event Executive ceases to provide the Transition Services, all unvested shares subject to the Time-Based Restricted Stock Awards shall be forfeited as of the date of such cessation of services. Each Performance-Based Restricted Stock Award shall vest, and the risk of forfeiture thereon lapse, upon the attainment of the applicable performance goal(s) in accordance with the terms of such Performance-Based Restricted Stock Award agreement. Notwithstanding the foregoing, Executive acknowledges that because of the cessation of the Company's hESC programs in November 2011, those Performance-Based Restricted Stock Awards that vest based upon the successful partnering of one (or more) hESC programs shall only vest upon a change in control of the Company on or prior to July 9, 2013. In the event the remaining applicable performance goals are not attained on or prior to the end of the Consulting Period, all unvested shares subject to Performance-Based Restricted Stock Awards shall be automatically forfeited. The agreements evidencing the Restricted Stock Awards shall be deemed amended to the extent necessary to provide for the treatment contemplated by this Section 2(e).

(f) *Independent Contractor Status*. Executive and the Company acknowledge and agree that, during the Consulting Period, Executive shall be an independent contractor. During the Consulting Period and thereafter, Executive shall not be an agent or employee of the Company and shall not be authorized to act on behalf of the Company, provided that Executive shall act as the Company's representative on the P & A Boards. The Company will not make deductions for taxes from any Consulting Fees paid hereunder. Personal income and self-employment taxes for Consulting Fees paid to Executive hereunder shall be the sole responsibility of Executive. Executive agrees to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties resulting from any failure by Executive to make required personal income and self-employment tax payments with respect to the Consulting Fees.

(g) *Protection of Information*. Executive agrees that, during the Consulting Period and thereafter, Executive will not, except for the purposes of performing the Transition Services, including without limitation, serving as the Company's representative on the P & A Boards, seek to obtain any confidential or proprietary information or materials of the Company.

3. Final Paycheck. As soon as administratively practicable on or after the Termination Date, the Company will pay Executive all accrued but unpaid base salary, earned bonus and all accrued and unused vacation earned through the Termination Date, subject to standard payroll deductions and withholdings. Executive is entitled to these payments regardless of whether Executive executes this Agreement.

4. Separation Payments and Benefits. Without admission of any liability, fact or claim, the Company hereby agrees, subject to Executive signing and delivering to the Company this Agreement on or within thirty-one (31) days after the Termination Date, this Agreement becoming no longer subject to revocation as provided in Section 6(c)(iii) and Executive's performance of his continuing obligations pursuant to this Agreement and the Confidentiality Agreement, to provide Executive the benefits set forth below. Specifically, the Company and Executive agree as follows:

(a) *Cash Severance*. Executive shall receive a lump sum cash payment in an amount equal to (i) $750,000, less applicable withholding taxes, which constitutes 150% of Executive's base salary as in effect as of immediately prior to the Termination Date plus (ii) $235,800, less applicable withholding taxes, which constitutes Executive's annual discretionary bonus for 2011 assuming achievement of corporate performance goals at seventy-five percent (75%) of target and achievement of individual performance goals at one hundred percent (100%) of target. Such payment shall be made on or within sixty (60) days following the Termination Date.

(b) *No Access to Benefits*. Executive shall not be entitled to participate in any discretionary bonus, 401(k) plan match or equity incentive pool after the Termination Date.

(c) *Continued Healthcare.* Executive and Executive's Covered Dependants shall be enrolled in the Company's Aetna Open Access Managed Choice (Open Access Gatekeeper Medical Plan) for the twenty-four (24) month period commencing on the Termination Date, providing that Executive and Executive's Covered Dependants will promptly leave the Plan in the event a future employer of Executive or Executive's Covered Dependents provides Executive and Executive's Covered Dependants substantially similar medical coverage without any preexisting condition requirement. For the twelve (12) month period commencing on the Termination Date, the Company shall reimburse Executive for all Aetna Plan premiums, as well as all premiums for dental and vision coverage under the Company's plans or COBRA, as applicable, for Executive and Executive's Covered Dependants, providing that no other third party has reimbursed Executive for the premium payments. For purposes of this Agreement, "Executive's Covered Dependants" shall be Executive's spouse and all of Executive's dependants covered by the Company's health/medical care plan immediately prior to the Termination Date. Executive and Executive's Covered Dependants shall have the right to continue enrollment in the Aetna Plan after the expiration of the twenty-four (24) month period pursuant to the terms of the Plan. To the extent permitted by applicable law and the terms of the Company's group health plans, the earlier of the date that such health care benefit coverage ceases to be available shall be deemed to be the date of the "qualifying event" for Executive and Executive's Covered Dependents for the purposes of electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). Executive acknowledges that he shall be solely responsible for Executive's election of Aetna Plan coverage and his timely payment of premiums.

(d) *SEC Reporting*. Executive acknowledges that to the extent required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), he will have continuing obligations under Section 16(a) and 16(b) of the Exchange Act to report his transactions in Company common stock for (6) six months following the Termination Date. Executive hereby agrees not to undertake, directly or indirectly, any reportable transactions which include, but are not limited to, buying, selling or otherwise disposing of any common stock of the Company held by Executive until the earlier of (i) the end of such six (6) month period or (ii) a Change of Control (as defined in the Amended and Restated Geron Corporation Severance Plan).

(e) *Other Benefits*. Executive shall retain Executive's current BlackBerry device, one (1) personal computer and printer after the Termination Date; *provided*, that Executive provides on or before January 31, 2012, the BlackBerry device and personal computer to the Company for the removal of all files. The computer and BlackBerry shall be returned to the Executive with the operating systems intact. The Company and Executive agree that the computer, printer and BlackBerry device have an aggregate value of $500.00. Except as necessary to perform the Transition Services, Executive hereby agrees to return all Proprietary Information (as defined in the Confidentiality Agreement) to the Company and shall certify to the Company within thirty (30) days of the Effective Date that all Proprietary Information has been returned to the Company or destroyed.

(f) *Taxes*. Executive understands and agrees that all payments under Section 4 of this Agreement will be subject to appropriate tax withholding and other deductions. To the extent the Executive is legally required to pay the employee portion of employment or income taxes for the benefits provided to him under Section 4 of this Agreement beyond those required to be and properly withheld by the Company, Executive agrees to pay the employee portion of employment and income taxes himself and to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties, and associated attorneys' fees and costs, resulting from any failure by him to make required employee portion of employment and income tax payments.

(g) *Reimbursements*. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, such reimbursements shall be paid to Executive no later than December 31st of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(h) *Sole Separation Benefit*. Executive agrees that the payments and benefits provided by this Section 4 are not required under the Company's normal policies and procedures and are provided as a severance solely in connection with this Agreement and/or Executive's pre-existing employment agreement. Executive acknowledges and agrees that the payments referenced in this Section 4 constitute adequate and valuable consideration, in and of themselves, for the promises contained in this Agreement.

5. Full Payment. Executive acknowledges that the payment and arrangements herein shall constitute full and complete satisfaction of any and all amounts properly due and owing to Executive as a result of his employment with the Company and the termination thereof.

6. Executive's Release of the Company. Except as specifically set forth in this Agreement, Executive understands that by agreeing to the release provided by this Section 6, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Agreement.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company, and each of its owners, affiliates, divisions, predecessors, successors, assigns, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment, remuneration or resignation by the Releasees, or any of them, including without limitation any and all Claims arising under federal, state, or local laws relating to employment, claims of any kind that may be brought in any court or administrative agency, any claims arising under the Age Discrimination in Employment Act ("ADEA"), as amended, 29 U.S.C. § 621, et seq.; the Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act , 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; California Business & Professions Code Section 17200, ordinance or statute regarding employment; Claims any other local, state or federal law governing employment; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state, federal or Company disability or life insurance benefits pursuant to the terms of applicable state or federal law or Company plan;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in the Company's Aetna Plan or the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any benefit entitlements vested as the date of Executive's employment termination, including without limitation, Executive's 401K plan balances, pursuant to written terms of any Company employee benefit plan;

(v) Claims for indemnification, defense and/or the right to be held harmless under California Labor Code Section 2802, the Company's Certificate of Incorporation, the Company's Bylaws, the Delaware General Corporation Law or other applicable law, any applicable contract, the Indemnification Agreement (or any other written indemnification agreement that was in effect on the Termination Date), and/or under the terms of any policy of insurance purchased by the Company or that in any way covers the Executive.

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; *provided*, *however*, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment;

(vii) Any rights in and to Executive's Company equity, including without limitation, Executive's right to exercise Executive's Company stock options, and receive delivery of, hold, sell and/or vest in Executive's Company stock and/or restricted stock; and

(viii) Any rights arising out of this Agreement.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following:

(i) Executive has the right to consult with an attorney before signing this Agreement;

(ii) Executive has been given at least twenty-one (21) days to consider this Agreement;

(iii) Executive has seven (7) days after signing this Agreement to revoke it. If Executive wishes to revoke this Agreement, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. on the seventh (7^{th}) day following Executive's execution of this Agreement to Human Resources, Geron Corporation, 230 Constitution Drive, Menlo Park, California 94025, fax: (650) 473-8668.

7. Company's Release of the Executive. The Company voluntarily releases and discharges the Executive and his heirs, successors, administrators, representatives and assigns from all Claims which it may have against the Executive as the result of his employment or the discontinuance of his employment and that are based upon facts known, or which in the exercise of reasonable diligence should have been known, to the Company's Board of Directors. Notwithstanding the foregoing, nothing herein shall release or discharge any Claim by the Company against the Executive, or the right of the Company to bring any action, legal or otherwise, against the Executive as a result of any failure by him to perform his obligations under this Agreement or the Confidentiality Agreement, or as a result of any acts for which the Executive cannot, as a matter of law, be indemnified by the Company.

8. Waiver of Unknown Claims. EXECUTIVE AND THE COMPANY ACKNOWLEDGE THAT THEY HAVE BEEN ADVISED OF AND ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, THE COMPANY AND EXECUTIVE HEREBY EXPRESSLY WAIVE ANY RIGHTS THEY OR EITHER OF THEM MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT, TO THE EXTENT OF THEIR RESPECTIVE RELEASES.

9. Non-Disparagement, Transition, Transfer of Company Property and Limitations on Service. Executive further agrees that:

(a) *Non-Disparagement*. Executive agrees that he shall not disparage, criticize or defame the Company, its affiliates and their respective affiliates, directors, officers, agents, partners, shareholders or employees, either publicly or privately. The Company agrees that it shall not, and it shall instruct its officers and members of its Board of Directors to not, disparage, criticize or defame Executive, either publicly or privately. Nothing in this Section 9(a) shall have application to any evidence or testimony required by any court, arbitrator or government agency.

(b) *Transition*. Each of the Company and the Executive shall use their respective reasonable efforts to cooperate with each other in good faith to facilitate a smooth transition of Executive's duties to other executive(s) of the Company.

(c) *Transfer of Company Property*. Except as otherwise contemplated in Section 4(e) hereof and except as required to perform the Transition Services, on or before the Effective Date, Executive shall turn over to the Company all files, memoranda, records, and other documents, and any other physical or personal property which are the property of the Company and which he had in his possession, custody or control at the time he signed this Agreement.

(d) *Limit on Post-Termination Service*. Notwithstanding anything in this Agreement to the contrary, the aggregate level of bona-fide services to be performed under Sections 2 and 16 of this Agreement, together with any other services to be performed by Executive for the Company following the Termination Date, shall in no event exceed twenty percent (20%) of the average level of bona-fide services performed by Executive for the Company during the thirty-six (36)-month period preceding the Termination Date ("20% Threshold"). In the event that Executive's fiduciary obligations to the P&A Boards (and their companies) appears that they will cause Executive to provide services to the Company that exceed the 20% Threshold, then Executive shall resign from that number of P&A Boards sufficient to allow Executive to provide services to the Company at or below the 20% Threshold.

10. Executive and Company Representations. Executive warrants and represents that (a) he has not filed or authorized the filing of any complaints, charges or lawsuits against the Company or any affiliate of the Company with any governmental agency or court, and that if, unbeknownst to Executive, such a complaint, charge or lawsuit has been filed on his behalf, he will immediately cause it to be withdrawn and dismissed, (b) he has reported all hours worked as of the date of this Agreement and has been paid all compensation, wages, bonuses, commissions, and/or benefits to which he may be entitled and no other compensation, wages, bonuses, commissions and/or benefits are due to him, except as provided in this Agreement, (c) he has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the Family and Medical Leave Act or any similar state law, (d) the execution, delivery and performance of this Agreement by the Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which the Executive is a party or any judgment, order or decree to which the Executive is subject, and (e) upon the execution and delivery of this Agreement by the Company and the Executive, this Agreement will be a valid and binding obligation of the Executive, enforceable in accordance with its terms. The Company warrants and represents that (a) it has not filed or authorized the filing of any complaints, charges or lawsuits against the Executive or any affiliate of the Executive with any governmental agency or court, and that if, unbeknownst to Company, such a complaint, charge or lawsuit has been filed on its behalf, it will immediately cause it to be withdrawn and dismissed and (b) upon the execution and delivery of this Agreement by the Company and the Executive, this Agreement will be a valid and binding obligation of the Company, enforceable in accordance with its terms.

11. Legal Fees. The Company shall pay the reasonable attorneys' fees and related expenses and disbursements incurred by Executive in connection with Executive's separation of employment with the Company and the negotiation and preparation of this Agreement, in an aggregate amount not to exceed $5,000.

12. No Assignment. Executive warrants and represents that no portion of any of the matters released herein, and no portion of any recovery or settlement to which Executive might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement, in any manner, including by way of subrogation. If any claim, action, demand or suit should be made or instituted against the Company or any affiliate of the Company because of any actual assignment, subrogation or transfer by Executive, Executive agrees to indemnify and hold harmless the Company or any affiliate of the Company against such claim, action, suit or demand, including necessary expenses of investigation, attorneys' fees and costs. The Company warrants and represents that no portion of any of the matters released herein, and no portion of any recovery or settlement to which the Company might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement, in any manner, including by way of subrogation. If any claim, action, demand or suit should be made or instituted against the Executive or any affiliate of the Executive because of any actual assignment, subrogation or transfer by the Company, the Company agrees to indemnify and hold harmless the Executive or any affiliate of the Executive against such claim, action, suit or demand, including necessary expenses of investigation, attorneys' fees and costs.

13. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California or, where applicable, United States federal law, in each case, without regard to any conflicts of laws provisions or those laws of any state other than California.

14. Miscellaneous. This Agreement, together with the Confidentiality Agreement, the Indemnification Agreement and Executive's equity agreements with the Company, are the entire agreement between the parties with regard to the subject matter hereof and shall supersede in its entirety that certain Employment Agreement between the Company and Executive dated as of February 8, 2011, as amended (the "Employment Agreement"). The Company and Executive acknowledge that the termination of the Executive's employment with the Company is intended to constitute an involuntary separation from service for the purposes of Section 409A of the Code, and the related Department of Treasury regulations. The Company will not contest Executive's application, if any, for unemployment insurance benefits; provided, however, that the Company shall respond truthfully to any questions posed to it by the California Employment Development Department with respect to any application by Executive for unemployment insurance benefits. Executive acknowledges that there are no other agreements, written, oral or implied, and that he may not rely on any prior negotiations, discussions, representations or agreements. This Agreement may be modified only in writing, and such writing must be signed by both parties and recited that it is intended to modify this Agreement. This Agreement may be executed by facsimile or electronic signature and in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Executive shall have no duty to mitigate any breach of Sections 2, 3 and 4 of this Agreement by the Company.

15. Indemnification. Notwithstanding any other term in this Agreement, nothing in this Agreement shall in any way limit, release, or terminate the Company's continuing obligation to indemnify, defend and/or hold harmless Executive under his Indemnification Agreement with the Company (or any other written indemnification agreement that was in effect on the Termination Date), or the Company's Certificate of Incorporation, the Company's Bylaws, Delaware General Corporation Law or other applicable, contract or legal requirement. The Company shall maintain directors' and officers' liability insurance coverage for the continuing protection of the Executive, of such types and in such amounts as shall be appropriate for the size of the Company and its business risks, as determined by the Company's Board of Directors in good faith, in its sole discretion.

(Signature page(s) follow)

IN WITNESS WHEREOF, the undersigned have caused this Transition and Separation Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

DATED: January 30, 2012

/s/ David Greenwood

David L. Greenwood

GERON CORPORATION

DATED: January 31, 2012

By: /s/ John A. Scarlett

John A.Scarlett, MD

Chief Executive Officer

EXHIBIT A

EXTENSION OF CONSULTING PERIOD END DATE

[_____], 2012

David L. Greenwood
[Home Address]

Re: Extension of Consulting Period End Date under Transition and Separation Agreement

Dear David:

In accordance with the Transition Separation Agreement entered into by and between you and Geron Corporation, a Delaware corporation (the "Company"), effective as of January [__], 2012 (the "Separation Agreement"), the Company wishes to extend your Consulting Period (as defined in the Separation Agreement) until June 30, 2012. Upon your signature to this letter, for all purposes of the Separation Agreement, the term "Consulting Period End Date" shall mean June 30, 2012 or such earlier date as determined by the Company in the event the Transition Duties (as defined in the Separation Agreement) are not performed to the reasonable satisfaction of the Company.

Upon your signature to this letter, the Separation Agreement will be deemed amended to the extent necessary to reflect the terms set forth herein. Otherwise, the Separation Agreement will remain in full force and effect.

To indicate your acceptance of this letter, please sign and date this letter in the space provided below and return it to the Company by [_____], 2012.

Very truly yours,

GERON CORPORATION

_____
Name:
Title:

ACCEPTED AND AGREED:

_____ _____
David L. Greenwood Date

EXHIBIT B

GRANT STATUS AS OF TERMINATION DATE

EXHIBIT C

INDEMNIFICATION AGREEMENT

EXHIBIT 10.30

[Geron Letterhead]

Original Notice Date: November 14, 2011
Revised: December 7, 2011

Jane Lebkowski
[Home Address]

Re: SEPARATION AGREEMENT AND GENERAL RELEASE

Dear Jane:

This letter sets forth the terms of our agreement with respect to the termination of your employment with Geron Corporation ("Geron").

1. Intent. The intent of this Separation Agreement and General Release (hereinafter "Agreement") is to mutually, amicably and finally resolve, and settle any and all issues and claims concerning your employment with Geron, all actions and conduct occurring during your employment with Geron and the termination thereof.

2. Parties. The parties to this Agreement are you, Jane Lebkowski, on behalf of yourself and your heirs, representatives, attorneys, successors and assigns, and Geron, on behalf of itself, its current and former officers, owners, shareholders, directors, managers, agents, representatives, servants, employees, attorneys, as well as its successors, predecessors and assigns.

3. Termination of Employment. We have agreed that your employment with Geron will formally end on December 31, 2011 (the "Separation Date"). On the Separation Date, you will be paid for all accrued wages and accrued, unused vacation. On the earlier of the Separation Date, or the date on which 2011 bonuses are paid to employees, and contingent upon your satisfactory performance, you will receive a 2011 bonus of $107,200. Long and Short Term Disability, Life Insurance and AD&D shall cease on the Separation Date. Any elections for medical, dental and vision coverage will continue until December 31, 2011. You will not be expected to perform any job responsibilities, and will not be required to come to work, after the Separation Date. In lieu of advance notice under the Worker Adjustment and Retraining Notification ("WARN") Act and the California Reductions, Terminations and Mass Layoffs ("RTML") law:

(a) You will continue to receive salary through January 13, 2012, as referenced in the Employee Notice of Layoff letter.

(b) In the event that you elect to receive continued Medical, Dental and/or Vision benefits under the Consolidated Budget Reconciliation Act of 1983, as amended ("COBRA"), and remain eligible for such benefits, the Company shall pay healthcare premiums for coverage through January 31, 2012.

(c) As of the Separation Date, you will be vested in all equity awards issued to you, all equity awards issued to you shall be accelerated, such that you will be vested in, or the Company right of repurchase shall have expired, in that number of shares in which you would have vested, or the Company's option to repurchase would have expired, had you remained employed through January 13, 2012.

You shall receive all payments and benefits detailed in this Section 3 without regard to whether you sign this Agreement.

4. Proprietary Information and Inventions Agreement. You acknowledge and agree to comply with your obligations under the Proprietary Information and Inventions Agreement that you executed on March 15, 1998. Specifically, you agree that all computer equipment, both hardware and software programs, as well as all records, papers, notes and other documents, and all copies thereof relating to Geron, its business, and its customers that are or have been obtained by you during your employment with Geron are Geron's property, and will be returned by you to Geron, on your last date of employment. You also acknowledge and agree to comply with your continuing obligations regarding the disclosure of Confidential Information (as defined in the agreement you signed) after your employment with Geron.

5. Consideration. In consideration for this Agreement and the undertakings described herein, including the General Release of Claims described in paragraph 6 below, and in full settlement for all claims to which you may or may not be entitled, Geron agrees:

a) to pay you 110% of annual base salary, less applicable state and federal withholding taxes, and

b) to pay your COBRA premium for Medical, Dental and/or Vision coverage through the earlier of 12 months following the Separation Date or the date upon which you are no longer eligible for COBRA,*

c) to extend the period during which you may exercise vested options through December 31, 2013;

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* The payment of COBRA premiums by Geron does not expand or extend the maximum period of COBRA coverage to which you would otherwise be entitled.

d) to provide outplacement services through Right Management, provided you activate such services within one month of your Separation Date; and

e) not to contest any claim you file for unemployment insurance through EDD.

You acknowledge that the consideration set forth in this paragraph is in addition to any benefits to which you are otherwise entitled.

6. General Release of Claims. In consideration for the promises and undertakings contained in this Agreement, you hereby waive, release and discharge, and agree that you will not institute, prosecute or pursue any and all complaints, claims, charges, claim for relief, demands, suits, actions and causes of action, whether in law or in equity, which you assert or could assert against Geron, its current and former officers, owners, shareholders, directors, managers, agents, representatives, servants, employees, attorneys, as well as its successors, predecessors and assigns at common law or under any statute, rule, regulations, order, or law, whether federal, state or local, on any ground whatsoever, known or unknown, including but not limited to, any and all actions for breach of contract, express or implied, breach of the covenant of good faith and fair dealing, express or implied, wrongful termination in violation of public policy, all other claims for wrongful termination and constructive discharge, and all other tort claims including, but not limited to, intentional or negligent infliction of emotional distress, invasion of privacy, negligence, negligent investigation, negligent hiring or retention, assault and battery, defamation, intentional or negligent misrepresentation, fraud, and any and all claims arising under any state or federal statute, including but not limited to, the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Employee Retirement and Income Security Act, the Americans with Disabilities Act, the Federal Rehabilitation Act of 1973, 42 U.S.C. Section 1981, the Family and Medical Leave Act, the California Family Rights Act, the California Labor Code and Civil Code, the California Constitution, and any and all other laws and regulations relating to employment termination, employment discrimination, harassment or retaliation, claims for wages, hours, benefits, compensation, and any and all claims for attorneys fees and costs, but this release does not include claims for workers' compensation; unemployment insurance benefits; claims for indemnification under California Labor Code Section 2802; your ability to participate in certain Company benefits under the auspices of COBRA; your rights under this Agreement; your right to bring to the attention of the Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing claims of discrimination, provided, however, that you do release your right to secure any damages for alleged discriminatory treatment; and any other claims that cannot be released as a matter of law .

7. Waiver of Rights Under Civil Code § 1542. As further consideration and inducement for this Agreement, you hereby waive and release any and all rights under Section 1542 of the California Civil Code you have or may have with respect to Geron. California Civil Code Section 1542 provides as follows:

A general release does not extend to claims, which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

You understand that Section 1542 gives you the right not to release existing claims, of which you are not now aware, unless you voluntarily choose to waive this right. Having been so apprised, you nevertheless hereby voluntarily elect to, and do, waive the rights described in Section 1542, and elect to assume all risks for claims that exist in your favor, known or unknown, which arise from the subject of this Agreement.

8. Confidentiality of Agreement. You agree that the existence, terms and conditions of this Agreement, including any and all references to any alleged underlying claims, are strictly confidential. You shall not disclose, discuss or reveal the existence or terms of the Agreement to any persons, entities or organizations except to your spouse, attorney, or financial advisor, or as required by court order.

9. Waiting Period. In accordance with the Older Workers Benefit Protection Act of 1990, you should be aware of the following:

i. You have the right to consult with an attorney before signing this agreement;

ii. You have forty-five (45) days, from the original date of this agreement (through December 29, 2011), to consider this agreement;

iii. You have seven (7) days after signing this agreement to revoke this agreement, and this agreement will not be effective, and you will not receive any of the separation benefits, until that revocation period has expired; and

iv. The job titles and ages of all individuals eligible or selected for the separation package and the ages of all individuals in the same job classification or organizational unit who are not eligible for the separation package are listed on the form attached as Appendix A.

If you wish to revoke your acceptance of this Agreement, you must deliver written notice stating your intent to revoke to Human Resources, Geron Corporation, 230 Constitution Drive, Menlo Park, CA 94025, or via fax at (650) 473-8668, on or before 5:00 p.m. on the seventh (7^{th}) day after the date on which you sign this Agreement.

10. Knowing and Voluntary Agreement. You expressly acknowledge that you have read and fully understand this Agreement; that you understand that by signing this Agreement you are giving up any legal claims you have against Geron; that you have been advised of your right to consult with legal counsel of your own choosing and to have the terms of this Agreement fully explained to you; that you are not executing this Agreement in reliance on any promises, representations or inducements other than those contained in this Agreement; and that you are executing this Agreement knowingly, voluntarily and free of any duress or coercion, in exchange for the benefits described in paragraph 5 above.

11. Effective Date. This Agreement shall become effective on the eighth (8^{th}) day following the date it is signed by you as indicated on the date line opposite your signature below. In order to accept this Agreement, you must sign and return it to Human Resources within forty-five (45) days of your receipt of it, or on the Separation Date, whichever is later.

Very truly yours,

GERON CORPORATION

By: /s/ John A. Scarlett
John A. Scarlett, M.D.
Chief Executive Officer

Dated: December 8, 2011

Agreed and accepted:

/s/ Jane Lebkowski	December 29, 2011
Jane Lebkowski	Date

EXHIBIT 10.31

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement"), made effective as of January 14, 2012 (the "Effective Date"), sets forth the terms and conditions mutually agreed between Geron Corporation ("Geron"), a Delaware corporation having its principal place of business at 230 Constitution Drive, Menlo Park, California 94025; and Jane S. Lebkowski, Ph.D., having a home address at [HOME ADDRESS] ("Lebkowski" or "you") with respect to Services (as defined below) to be provided by you to Geron. This Agreement supersedes all other understandings, oral or written, between Geron and you with regard to services provided by you to Geron after the Effective Date.

1. Services.

a) **Scope**. You will provide advice and consultation with respect to Geron's research, preclinical and clinical activities, technical or scientific matters, programs, strategies, business and financial opportunities and plans, products and product candidates, and any other matters reasonably requested by Geron (the "Services").

All Services you provide to Geron after the Effective Date will be deemed to be provided pursuant to this Agreement.

b) **Time and Place**. You will provide Services as needed upon request by Geron or its representatives. The Services may include consultations in meetings, by telephone, e-mail, or letter, and literature research, analysis or computation as requested by Geron or its representatives. Unless otherwise terminated as provided below or extended by mutual agreement in writing, the term of this Agreement shall extend through March 31, 2012, with the option to extend the term by written notice to you through June 30, 2012, if requested by Geron (the "Term").

c) **Nature of Services**. In rendering Services to Geron, you will act as an independent contractor and not as an employee of Geron.

2. Compensation.

a) **Fees**. As compensation for the Services, Geron will pay you at the rate of four hundred ($400.00) USD per hour for Services provided by you to Geron.

b) **Expenses**. Geron will reimburse you for reasonable expenses incurred in providing the Services, provided that you obtain the prior written approval of Geron for any such expenses. Geron will not reimburse you for travel time or costs unless approved in writing in advance.

c) **Equity.** Stock options and restricted stock awards granted to you during the period of your full-time employment at Geron will continue to vest for the duration of the period in which you are a Service Provider (as defined by Geron's 2002 Equity Incentive Plan (as amended and restated) (the "2002 Plan)), or a Consultant (as defined by Geron's 2011 Incentive Award Plan (the "2011 Plan")) to Geron. Copies of the 2002 Plan and the 2011 Plan are provided to you herewith. When you cease to be a Service Provider under the 2002 Plan or a Consultant under the 2011 Plan, as applicable, (1) you will be given a summary of such stock options and restricted stock awards, and (2) any unvested stock options and unvested restricted stock awards will automatically cease to vest, and will be canceled and returned to Geron. You will have until December 31, 2013 (the "Exercise Period") to exercise any vested outstanding stock options. If you wish to exercise vested stock options during the Exercise Period when Geron is in a blackout period, you should contact Geron's Accounting Department to determine how the exercise of vested stock options may be handled during a black-out period. After April 12, 2012, your outstanding incentive stock options (ISOs) (vested and unvested) will convert to nonstatutory stock options (NSOs) in accordance with IRS rules. This conversion does not affect the exercisability or vesting schedule of such options.

d) **Documentation**. You will submit to Geron invoices for your fees and expenses in the form of **Exhibit A** within fifteen (15) days after the end of the month in which the invoiced expense is incurred. You will also submit any further documentation reasonably requested by Geron. Geron will pay the fees and expenses within thirty (30) days after receipt of the invoice and any such further documentation which may be requested by Geron.

3. Ownership of Developments Arising from Services.

a. "Developments" include, without limitation, ideas, concepts, discoveries, inventions, developments, know-how, patent rights, trade secrets, techniques, writings, data, and other rights (whether or not protectible under applicable patent, trademark, copyright, trade secret, or other intellectual property laws) that are conceived, developed, made, or reduced to practice by you in the course of performing Services under this Agreement.

b. You hereby acknowledge and agree that Geron shall be the sole and exclusive owner of all Developments made in the course of performing Services under this Agreement.

c. You shall promptly and fully disclose to Geron in writing any Developments made during the term of this Agreement.

d. You hereby irrevocably assign, transfer and convey to Geron or its designee(s) all rights, title, and interests worldwide in and to all Developments and all applicable intellectual property rights related to any Development, including, without limitation, copyrights, trademarks, trade secrets, patents, moral rights, contract, and licensing rights. This includes all U.S. and foreign patents, re-examinations, reissues, renewals, extensions and term restorations, and foreign counterparts thereof, and all pending applications, inventors' certificates, and all rights under the International Convention for the Protection of Industrial Property. Any copyrightable material produced by you under this Agreement shall be considered work made for hire.

e. You hereby covenant that upon request of Geron, its successors, or its legal representatives, whether during or after the term of this Agreement, you will sign and have delivered all documents needed to complete conveyance or protect Geron's rights in the Developments.

4. Confidentiality.

a. You will treat as confidential all non-public information disclosed to you by Geron or its representatives, or generated in the course of providing Services under this Agreement ("Proprietary Information").

b. You will not use or disclose to any party other than Geron or its representatives any Proprietary Information without the prior written consent of Geron, except as may be necessary in the course of performing Services. However, you will not have any obligation of confidence and non-use with respect to Proprietary Information which you can document to have been:

(i) rightfully in the public domain as of the Effective Date or which comes into the public domain through no wrongful act or omission by you; or

(ii) developed independently by you without any use of any Proprietary Information or Geron facilities, and without the participation of any Geron personnel; or

(iii) rightfully disclosed to you without restriction by a third party under no obligation of confidentiality to Geron; or

(iv) independently developed by you without the use of Proprietary Information provided by the Disclosing Party.

c. Confidentiality obligations under this Agreement shall not apply to Proprietary Information that is required by law to be disclosed; provided, however, that you provide prompt written notice of such required disclosure to Geron, make a reasonable effort to obtain a protective or other order maintaining the confidentiality of the Proprietary Information, and take reasonable steps to enable the Geron to seek a protective order or otherwise prevent disclosure of such information.

d. Promptly, and in any event within ten (10) business days after expiration or termination of this Agreement, or receipt of a written request by Geron, you will return to Geron any Proprietary Information (including all documents and electronic media containing the same and any and all copies thereof) received from Geron.

5. Other Activities and Obligations.

a) **No Conflicts**. You represent and warrant that:

(i) Your rendering of Services and performance of this Agreement does not conflict with and will not violate any obligations you have to any other person or entity; and

(ii) You will not use the proprietary information of any other person or entity in the course of rendering Services to Geron or disclose any such information to Geron.

b) **Non-Solicitation**. During the Term of this Agreement and for one (1) year thereafter, you will not, without Geron's prior written consent solicit any employees of Geron to work for an employer that competes with Geron.

c) **Competitive Activities.** You have informed Geron that you may wish to provide consulting or business services to other individuals or entities during the Term of this Agreement. You will notify Geron in writing of any proposed consulting relationships, director positions, board memberships, employment relationship, or advisory relationships which you desire to enter during the Term, in order to seek Geron's consent thereto. If Geron does not consent, Geron will be entitled to terminate this Agreement effective immediately upon written notice to you. If Geron does consent, you will be responsible for ensuring that the terms and conditions of any business relationship entered by you do not conflict with the terms and conditions of this Agreement, including, without limitation, terms and conditions governing Developments, conflicts, and Proprietary Information.

6. Indemnification. Geron will defend, indemnify and hold you harmless from any claim, including, without limitation, any lawsuits, liabilities, losses, costs, and expenses suffered or incurred as a result of any suit or proceeding brought against you, to the extent such claim arises from Geron's gross negligence or willful misconduct. You will promptly notify Geron of any claim you believe is subject to this paragraph. Geron will have the right to defend against, settle or compromise such claim, and you will cooperate with Geron in any such defense, settlement or compromise. You will not enter into any settlement agreement or other voluntary resolution of any such claim without first obtaining the written consent of Geron. Geron will not settle or consent to an adverse judgment with respect to a claim that adversely affects your rights or interests, without your prior written consent, which consent shall not be unreasonably withheld. Under no circumstances shall either party be liable to the other party for loss of use or profits, or any other collateral, special, indirect or consequential damages, losses, or expenses in connection with this Agreement.

7. Miscellaneous.

a) **Documents and Property**. You will be provided with such access to Geron's facilities, e-mail and voicemail as Geron customarily provides to its consultants and deems appropriate for the performance of Services hereunder. Such access shall be at Geron's sole discretion and may be terminated by Geron at any time. All documents, records, and other physical property furnished to you by Geron, in the possession of you as a result of your prior employment relationship with Geron, or produced by you in connection with the Services shall be and remain the sole property of Geron. You will return to Geron all such materials and property, as well as any Proprietary Information, in accordance with the terms of this Agreement, as and when requested by Geron.

b) **Termination**. Either Geron or you may terminate this Agreement at any time, with or without cause, upon thirty (30) days prior written notice. In the event of termination you will be compensated for Services actually rendered but not yet paid for by Geron, upon submission and approval of an invoice. Sections 3, 4, 5(b), 6 and 7(d) of this Agreement will survive any expiration or termination of this Agreement.

c) **Injunctive Relief**. You agree and acknowledge that a breach of any of the covenants contained herein will result in irreparable and continuing damage to Geron for which there will be no adequate remedy at law and that, in the event of such breach, Geron, in addition to any other remedies it may have, will be entitled to a restraining order, injunction, or other similar remedy in order to specifically enforce the provisions of this Agreement.

d) **No Assignment; Governing Law; Binding Effect; Amendments**. You will not assign your rights or delegate your responsibilities under this Agreement without the prior written consent of Geron. This Agreement will be governed by California law. This Agreement may be amended only in writing by the parties hereto.

AGREED AND ACCEPTED:

Geron Corporation	Consultant
/s/ John A. Scarlett	/s/ Jane Lebkowski
John A. Scarlett, M.D. Chief Executive Officer	Jane S. Lebkowski, Ph.D.
Date: 12/19/11	Date: Dec 29, 2011

EXHIBIT 10.32

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is made effective as of the 16th day of February, 2012 (the "**Effective Date" or "Commencement Date**"), by and between Stephen N. Rosenfield ("**Executive**") and Geron Corporation, a Delaware corporation (the "**Company**").

WHEREAS, the Company desires to employ Executive to provide personal services to the Company, and wishes to provide Executive with certain compensation and benefits in return for Executive's services; and

WHEREAS, Executive wishes to be employed by the Company and provide personal services to the Company in return for certain compensation and benefits;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

ARTICLE I
DEFINITIONS

For purposes of the Agreement, the following terms are defined as follows:

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

1.2 "**Cause**" means any of the following:

(a) any willful act or omission by Executive constituting dishonesty, fraud or other malfeasance against the Company;

(b) Executive's conviction of a felony under the laws of the United States or any state thereof or any other jurisdiction in which the Company conducts business;

(c) Executive's debarment by the U.S. Food and Drug Administration from working in or providing services to any pharmaceutical or biotechnology company under the Generic Drug Enforcement Act of 1992, or other ineligibility under any law or regulation to perform Executive's duties to the Company; or

(d) Executive's breach of any of the material policies of the Company.

1.3 "**Change in Control**" shall have the meaning set forth in the Plan.

1.4 "**Code**" means the Internal Revenue Code of 1986, as amended.

1.5 "**Company**" means Geron Corporation or its successors in interest.

1.6 "**Comparable Employment**" means employment on terms which provide (a) the same or greater rate of base pay or salary as in effect immediately prior to Executive's termination, (b) the same, equivalent or higher job title and level of responsibility as Executive had prior to Executive's termination, (c) equivalent or higher bonus opportunity as the bonus opportunity for the year preceding the year in which the termination occurs, and d) a principal work location that is both (i) no more than forty-five (45) miles from Executive's principal work location immediately prior to Executive's termination and (ii) no more than thirty (30) miles farther from Executive's principal weekday residence than was Executive's principal work location immediately prior to the termination.

1.7 "**Covered Termination**" means an Involuntary Termination Without Cause that occurs at any time, *provided* that such termination constitutes a "separation from service" within the meaning of Section 409A of the Code and the regulations promulgated thereunder, including Treasury Regulation Section 1.409A-1(h) (a "**Separation from Service**").

1.8 "**Involuntary Termination Without Cause**" means Executive's dismissal or discharge other than (i) for Cause, or (ii) after an involuntary or voluntary filing of a petition under chapter 7 or 11 of 11 USC Section 101 et. seq., an assignment for the benefit of creditors, a liquidation of the company's assets in formal proceeding or otherwise or any other event of insolvency by the Company, in any case, without an offer of Comparable Employment by the Company or a successor, acquirer, or affiliate of the Company. For purposes of this Agreement, the termination of Executive's employment due to Executive's death or disability will not constitute a termination for Cause.

1.9 "**Plan**" means the Company's 2011 Equity Incentive Award Plan, as amended.

ARTICLE II
EMPLOYMENT BY THE COMPANY

2.1 Position and Duties. Subject to the terms set forth herein, the Company agrees to employ Executive in the position of Executive Vice President, General Counsel and Corporate Secretary, such employment to commence on the Commencement Date. During the Executive's employment, Executive will report to the Chief Executive Officer. Executive shall serve in a part-time employee capacity equivalent to eighty percent (80%) of a full time work schedule and shall perform such duties as are assigned to Executive by the Chief Executive Officer and, except as otherwise instructed by the Chief Executive Officer, such other duties as are customarily associated with the position of General Counsel and Secretary. The part-time schedule will be annually re-evaluated by the Company to ensure that the arrangement meets the needs of the Company. During Executive's employment with the Company, Executive will devote Executive's best efforts and substantially all of Executive's business time and attention (except for vacation periods as set forth herein and reasonable periods of illness or other incapacities permitted by the Company's general employment policies or as otherwise set forth in this Agreement) to the business of the Company.

2.2 Employment at Will. Both the Company and Executive acknowledge and agree that Executive's employment with the Company is "at-will" and not for any specified period of time, and may be terminated at any time by Executive or the Company, with or without Cause, and with or without prior notice; provided, however, that if Executive's employment with the Company is terminated under circumstances that constitute a Covered Termination, Executive will be eligible to receive certain severance payments and benefits as set forth in Article IV below.

2.3 Employment Policies. The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, including but not limited to those policies relating to protection of confidential information and assignment of inventions. In the event of a conflict between the terms of this Agreement and the Company's general employment policies or practices, this Agreement shall control.

ARTICLE III
COMPENSATION

3.1 Base Salary. Executive shall receive for services to be rendered hereunder an annual base salary of $292,000 which has been pro-rated to reflect eighty percent (80%) of a full time work schedule. The Base Salary is payable on the regular payroll dates of the Company subject to increase in the sole discretion of the Board (the "**Base Salary**").

3.2 Bonus. Executive shall be eligible to earn, for each fiscal year of the Company ending during Executive's employment with the Company, an annual discretionary cash bonus (an "**Annual Bonus**") targeted at forty five percent (45%) of Executive's Base Salary.

3.3 Stock Option. The Compensation Committee of the Board granted Executive an option to purchase four hundred and twenty-five thousand (425,000) shares of Company common stock (the "**Option**") on February 16, 2012 (the "**Grant Date**"), having an exercise price equal to the closing trading price of a share of Company common stock on the Grant Date. The Option shall vest with respect to 1/8th of the shares initially subject thereto on the six-month anniversary of the Commencement Date and with respect to 1/48th of the shares initially subject thereto on each monthly anniversary of the Commencement Date thereafter, subject to Executive's continued service to the Company through the applicable vesting date, provided, that upon occurrence of a Change of Control, subject to Executive's continued service to the Company through the date of such Change of Control, the Option shall vest and become exercisable with respect to one hundred percent (100%) of the unvested shares subject thereto. The Option shall be exercisable in full on the Grant Date, subject to Executive entering into a restricted stock purchase agreement with respect to any unvested shares. Executive shall be permitted to exercise any or all of the Option, whether or not vested, subject to the Company's right of repurchase. The Option otherwise shall be subject to and governed in all respects by the terms of the Plan and the option agreement to be entered into between the Company and Executive.

3.4 Standard Company Benefits; Vacation. With the exception of health care, vision and dental benefits, Executive shall be entitled to all rights and benefits for which Executive is eligible under the terms and conditions of the Company's benefit and compensation plans, practices, policies and programs, as in effect from time to time, that are provided by the Company to its senior executives generally. Executive will be eligible for twenty (20) days of vacation per year.

ARTICLE IV
SEVERANCE BENEFITS AND RELEASE

4.1 Severance Benefits. If Executive's employment terminates due to a Covered Termination after the date of execution of this Agreement, Executive shall receive:

(i) Payment of Accrued Obligations Upon Termination of Employment. Upon a termination of Executive's employment for any reason at any time following the Commencement Date, the Company shall pay to Executive in a single lump-sum cash payment as soon as administratively practicable following the date of termination, the aggregate amount of Executive's (A) earned but unpaid Base Salary, and (B) accrued but unpaid vacation pay. In addition, Executive shall be promptly paid for incurred but unreimbursed business expenses upon his submission of such expenses in accordance with the Company's expense reimbursement policies. The amounts set forth in this Section 4.1(i) are collectively referred to as the "**Accrued Obligations**".

(ii) Severance Upon a Covered Termination. If Executive's employment terminates due to a Covered Termination at any time after the Commencement Date, then, in addition to the Accrued Obligations:

(a) Executive shall be paid target Annual Bonus for the fiscal year in which the termination occurs, prorated for the length of service provided during the calendar year through the termination date, payable in a single lump-sum payment within thirty (30) days following the date of termination;

(b) Executive shall be paid an aggregate amount equal to twelve (12) months of Executive's Base Salary in effect on the date of termination, payable to Executive in a single lump-sum amount on the sixtieth (60^{th}) day following the date of termination;

(c) Executive and Executive's covered dependents will be eligible to continue their health care benefit coverage as permitted by COBRA (Internal Revenue Code Section 4980B) at the Company's expense for the lesser of (i) twelve (12) months following the Covered Termination, or (ii) until the Executive and/or Executive's covered dependents are no longer eligible for COBRA (for clarification and as an example, in the event Executive is covered by another health plan, etc.). Thereafter, Executive and Executive's covered dependents shall be entitled to maintain coverage for Executive and Executive's eligible dependents at Executive's own expense for the balance of the period that Executive is entitled to coverage under COBRA; and

(d) the Option, along with any subsequent options or other exercisable equity interest in the Company held by Executive shall remain outstanding and exercisable through the earlier of (i) the second (2^{nd}) anniversary of the date of termination or (ii) the original expiration date of the option or other equity interest.

Notwithstanding the foregoing, the amounts payable under this Article IV, other than the Annual Bonus and the extended exercisability set forth in Section 4.1(d), shall be reduced by the amount of severance or other cash compensation, if any, payable under the Company's Change of Control Severance Plan attached hereto as Exhibit C. For the avoidance of doubt, all amounts payable under this Agreement shall be subject to applicable federal, state, local or foreign tax withholding requirements.

4.2 Parachute Payments. If any payment or benefit Executive would receive in connection with a Change in Control from the Company or otherwise ("**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment shall be reduced to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order unless Executive elects in writing a different order (provided, however, that such election shall be subject to Company approval): reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of Executive's stock awards unless Executive elects in writing a different order for cancellation.

The Company for general audit purposes shall engage a nationally recognized public accounting firm (the "**Accounting Firm**") to perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The Accounting Firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which Executive's right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. If the Accounting Firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

4.3 Release. Notwithstanding the foregoing, Executive's right to receive the amounts provided for in Sections 4.1(ii) and 4.2, and the Change of Control acceleration referenced in Section 3.3 above shall be subject to and conditioned upon Executive's execution and non-revocation of a release of claims in substantially the form attached hereto as Exhibit A (the "**Release**") (as such form may be modified to take into account changes in the law) within fifty (50) days following the termination date. Such Release shall specifically relate to all of Executive's rights and claims in existence at the time of such execution and shall confirm Executive's obligations under the Proprietary Information Agreement (as defined below). It is understood that Executive has a certain period to consider whether to execute such Release, as set forth in the Release, and Executive may revoke such Release within seven (7) business days after execution. In the event Executive does not execute such Release within the applicable period, or if Executive revokes such Release within the subsequent seven (7) business day period, none of the aforesaid benefits set forth in Sections 4.1(ii), 4.2 and the Change of Control acceleration referenced in Section 3.3 shall be payable to Executive under this Agreement and this Agreement shall be null and void.

4.4 Section 409A. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed by the Company at the time of the Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (a) the expiration of the six-month period measured from the date of Executive's Separation from Service or (b) the date of Executive's death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 4.4 shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due under the Agreement shall be paid as otherwise provided herein. For purposes of Section 409A of the Code, Executive's right to receive the payments of compensation pursuant to the Agreement shall be treated as a right to receive a series of separate payments and accordingly, each payment shall at all times be considered a separate and distinct payment.

4.5 Mitigation. Executive shall not be required to mitigate damages or the amount of any payment provided under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or by any retirement benefits received by Executive after the date of the Covered Termination, or otherwise.

ARTICLE V
PROPRIETARY INFORMATION OBLIGATIONS

5.1 Agreement. Executive agrees to abide by the Proprietary Information and Inventions Agreement attached hereto as Exhibit B (the "**Proprietary Information Agreement**").

5.2 Remedies. Executive's duties under the Proprietary Information and Inventions Agreement shall survive termination of Executive's employment with the Company and the termination of this Agreement. Executive acknowledges that a remedy at law for any breach or threatened breach by Executive of the provisions of the Proprietary Information and Inventions Agreement would be inadequate, and Executive therefore agrees that the Company shall be entitled to injunctive relief in case of any such breach or threatened breach.

ARTICLE VI
OUTSIDE ACTIVITIES

6.1 No Other Employment. Except with the prior written consent of the Board, Executive shall not during the term of Executive's employment with the Company, undertake or engage in any other employment, occupation or business enterprise. Notwithstanding the foregoing, during the term of Executive's employment with the Company, Executive may (a) undertake or engage in any other employment, occupation or business enterprise in which Executive is a passive investor, and/or (b) engage in civic and not-for-profit activities, in each case, so long as such activities do not materially interfere with the performance of Executive's duties hereunder.

6.2 No Conflicting Business Interests. During the term of Executive's employment by the Company, except on behalf of the Company, Executive shall not directly or indirectly, whether as an officer, director, stockholder, partner, proprietor, associate, representative, consultant, or in any capacity whatsoever engage in, become financially interested in, be employed by or have any business connection with any other person, corporation, firm, partnership or other entity whatsoever which were known by Executive to compete directly with the Company, throughout the world, in any line of business engaged in (or planned to be engaged in) by the Company; *provided*, *however*, that anything above to the contrary notwithstanding, Executive may own, as a passive investor, securities of any competitor corporation, so long as Executive's direct holdings in any one such corporation shall not in the aggregate constitute more than 1% of the voting stock of such corporation.

ARTICLE VII
NONINTERFERENCE

While employed by the Company, and for one (1) year immediately following the date on which Executive terminates employment or otherwise ceases providing services to the Company, Executive agrees not to interfere with the business of the Company by soliciting or attempting to solicit any employee of the Company to terminate such employee's employment in order to become an employee, consultant or independent contractor to or for any competitor of the Company. Executive's duties under this Article VII shall survive termination of Executive's employment with the Company and the termination of this Agreement.

ARTICLE VIII
GENERAL PROVISIONS

8.1 Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by telex) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll.

8.2 Section 409A. To the extend applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other such guidance that may be issued after the Commencement Date ("**Section 409A**"). Notwithstanding any provision of this Agreement to the contrary, in the event that following the Commencement Date, the Company determines in good faith that any compensation or benefits payable under this Agreement may not be either exempt from or compliant with Section 409A, the Company may adopt such amendments to this Agreement or adopt other policies or procedures (including amendments, policies and procedures with retroactive effect), or take any other commercially reasonable actions necessary or appropriate to preserve the intended tax treatment of the compensation and benefits payable hereunder, including without limitation actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A, provided, that this Section 8.2 does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments, policies or procedures or to take any other such actions or to create any liability on the part of the Company for any failure to do so.

8.3 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

8.4 Waiver. If either party should waive any breach of any provisions of this Agreement, they shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

8.5 Complete Agreement. This Agreement and its Exhibit A and Exhibit B constitute the entire agreement between Executive and the Company and are the complete, final, and exclusive embodiment of their agreement with regard to this subject matter (except for the Plan, any successor thereto or the Company's Change of Control Severance Plan). This Agreement supersedes any prior agreement between Executive and the Company or any predecessor employer in its entirety. Executive and the Company acknowledge and agree that this Agreement is entered into without reliance on any promise or representation other than those expressly contained herein or therein and cannot be modified or amended except in a writing signed by a duly-authorized officer of the Company.

8.6 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

8.7 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

8.8 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign any of Executive's duties hereunder and Executive may not assign any of Executive's rights hereunder, without the written consent of the Company, which shall not be withheld unreasonably.

8.9 Arbitration. In the event of any contractual, statutory or tort dispute or claim relating to or arising out of Executive's employment relationship with the Company (including but not limited to any claims of wrongful termination or age, sex, race, or other discrimination, but not including workers' compensation claims), Executive and the Company agree that all such disputes will be finally resolved by binding arbitration conducted by a single neutral arbitrator associated with the American Arbitration Association in Menlo Park, California. Executive and the Company hereby waive their respective rights to have any such disputes or claims tried to a judge or jury. However, the Company agrees that this arbitration provision will not apply to any claim, by either Executive or the Company, for injunctive relief. The administrative costs of any arbitration proceeding between Executive and the Company and the fees and costs of the arbitrator shall be borne by the Company.

8.10 Attorneys' Fees. If either party hereto brings any action to enforce rights hereunder, each party in any such action shall be responsible for its own attorneys' fees and costs incurred in connection with such action.

8.11 Acknowledgement. Executive acknowledges that Executive (a) has had the opportunity to discuss this matter with and obtain advice from independent counsel of Executive's own choice and has been advised to do so by the Company, (b) has carefully read and fully understands all the provisions of this Agreement, and (c) is knowingly and voluntarily entering into this Agreement. Executive represents that Executive (i) is familiar with the restrictive covenants set forth in the Proprietary Information Agreement and (ii) is fully aware of his/her obligations thereunder.

8.12 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of California.

In Witness Whereof, the parties have executed this Agreement on the respective dates set forth below:

GERON CORPORATION

By: /s/ John A. Scarlett
John A. Scarlett, MD
Chief Executive Officer

Date: February 22, 2012

Accepted and agreed this 21st day of February, 2012,

/s/ Stephen Rosenfield
Stephen N. Rosenfield

EXHIBIT A

GENERAL RELEASE

EXHIBIT B

PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

EXHIBIT C

AMENDED AND RESTATED SEVERANCE PLAN

EXHIBIT 10.36

*CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS EXHIBIT. THE COPY FILED HEREWITH OMITS THE INFORMATION SUBJECT TO THE CONFIDENTIALITY REQUEST. OMISSIONS ARE DESIGNATED AS *. A COMPLETE, UNREDACTED VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.*

OFFICE LEASE AGREEMENT

by and between

EXPONENT REALTY, LLC.

a Delaware limited liability company

("Landlord")

and

GERON CORPORATION

a Delaware corporation

("Tenant")

For approximately

30,174

rentable square feet

at 149 Commonwealth Drive, Menlo Park, California

("Premises")

TABLE OF CONTENTS

OFFICE LEASE AGREEMENT

INFORMATION SHEET

("INFORMATION SHEET")

A. **PARTIES**

1.	Landlord:	EXPONENT REALTY, LLC, a Delaware limited liability company
2.	Tenant:	GERON CORPORATION, a Delaware corporation

B. **EFFECTIVE DATE** February 29, 2012

C. **BASIC LEASE PROVISIONS**

1.	Premises:	
	a. Address:	149 Commonwealth Drive Menlo Park, California 94025
	b. Floor:	2nd Floor (including patio space associated with Suite # *)
	c Total Building rentable area (approx.):	* square feet
2.	Rentable Area and Load Factor:	
	a. Rentable Area (approx.)	30,174 rentable square feet, Suites known as # *, *, *, *, * and *
	b. Load Factor (approx.)	*%
3.	Term:	24 months, commencing on the Commencement Date of July 13, 2012 and ending on July 12, 2014, as such term may be extended or sooner terminated as provided in this Lease

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* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

4.	Estimated Commencement Date:	July 13, 2012
5.	Tenant's Building Percentage:	* percent (*%)
6.	Base Rent:	* ($*) per rentable square foot per month full service (or $* monthly).
7.	Security Deposit:	None
8.	Base Year:	2012 for Operating Expenses 2012-2013 fiscal year for Real Property Taxes As outlined in Section 5. Base Rent
9.	Adjustments to monthly Base Rent:	None.
10.	Brokers:	None
11.	Address for Notices:	
	Landlord:	Exponent Realty, LLC 149 Commonwealth Drive Menlo Park, California 94025 Attn: Director of Corporate Facilities
	Tenant:	GERON CORPORATION 149 Commonwealth Drive, Suite 2070 Menlo Park, CA 94025 Attn: Legal Department
12.	TI Allowance:	As provided in Exhibit C – Tenant Improvements Work Letter.
13.	Normal Business Hours:	8AM to 5PM Monday to Friday Excluding holidays observed by Landlord

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

OFFICE LEASE AGREEMENT

1. Parties. THIS OFFICE LEASE AGREEMENT ("Lease"), effective as of the date ("Effective Date") set forth in section B of the Office Lease Agreement Information Sheet ("Information Sheet"), is entered into by and between Exponent Realty, LLC, a Delaware limited liability company ("Landlord"), and the entity set forth in section A.2. of the Information Sheet ("Tenant").

2. Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, a portion of that certain Building located in the City of Menlo Park, County of San Mateo, State of California containing the total rentable floor area set forth in section C.2. of the Information Sheet, as more particularly shown on EXHIBIT A ("Premises"), and located at the address, as designated in section C.1. of the Information Sheet, together with a right in common to the Outside Area, as defined in Paragraph 3.K., of the Property, as defined in Paragraph 3.N. Tenant's right to use the Outside Area shall be a right in common with other tenants of the Property and is subject to the reasonable rules and regulations and changes therein from time to time promulgated by Landlord governing the use of the Outside Area. The currently existing such rules and regulations are set forth on EXHIBIT E.

3. Definitions. The following initially capitalized terms shall have the following meanings when used in this Lease:

A. **Alterations**. Any alterations, additions or improvements made in, on or about the Building or the Premises after the Commencement Date, including, but not limited to, lighting, heating, ventilating, air conditioning, electrical, telecommunication cabling, partitioning, drapery and carpentry installations.

B. **Building**. That certain building on the Property, commonly known as 149 Commonwealth Drive, Menlo Park, California 94025, containing an aggregate rentable area in the approximate amount set forth in section C.1.c. of the Information Sheet.

C. **CC&R's**. The declaration of covenants, conditions, restrictions and easements contained in that certain Grant Deed dated May 12, 1965 established by David D. Bohannon and Ophelia E. Bohannon and recorded on May 14, 1965 in Book 4953 at page 326 et. seq., of the Official Records of San Mateo County, California, as they may be amended from time to time. Tenant hereby acknowledges that it has received and read a copy of the present CC&R's.

D. **City**. The City of Menlo Park, in the State of California.

E. **Commencement Date**. The Commencement Date of this Lease shall be the first day of the Lease Term determined in accordance with Paragraph 4.B.

F. **County**. The County of San Mateo, in the State of California.

G. **HVAC**. Heating, ventilating and air conditioning.

H. **Interest Rate.** Interest Rate shall have the meaning set forth in Paragraph 44.

I. **Landlord's Agents**. Landlord's authorized agents, together with any partners and any subsidiary, parent, and affiliate corporations, partnerships, limited liability partnerships or limited liability companies of Landlord, and any directors, officers, shareholders, members, managers, partners and employees of Landlord or of any such agents, partners, or subsidiary, parent or affiliate corporations, partnerships, limited liability partnerships or limited liability companies.

J. **Monthly Rent**. The rent payable pursuant to Paragraph 5.A., as adjusted from time to time pursuant to the terms of this Lease. Such amount includes monthly Base Rent (as defined in section C.6 of the Information Sheet), the Monthly Operating Expense Reimbursement, as provided in such Paragraph 5.A(ii), and the Tenant Improvement Allowance Reimbursement, as provided in such Paragraph 5.A(iii).

K. **Outside Area**. All areas and facilities within the Property, but outside the Building, provided and designated by Landlord for the general use and convenience of Tenant and other tenants and occupants of the Building, including, without limitation, the parking areas, access and perimeter roads, sidewalks, landscaped areas, service areas, trash disposal facilities, and similar areas and facilities, and the exterior walls and windows of the Building, subject to the reasonable rules and regulations and changes therein from time to time promulgated by Landlord governing the use of the Outside Area. The current rules and regulations are set forth on EXHIBIT E.

L. **Permitted Transferees**. Such term has the meaning given to it in paragraph 27(i).

M. **Project**. The Property, Building (including the Premises), and Outside Area.

N. **Property**. That certain real property, described in EXHIBIT B upon which is located the Building.

O. **Real Property Taxes**. Any form of assessment, license, fee, rent tax, real property tax, taxes, levy, interest or penalty (unless a result of Tenant's delinquency), or tax (other than net income, estate, succession, inheritance, transfer or franchise taxes), imposed by any authority having the direct or indirect power to tax, or by any city, county, state or federal government or any improvement or other district or division thereof, whether such tax is: (i) determined by the value or area of the Project or any part thereof (or any improvements now or hereafter made to the Project or any portion thereof by Landlord, Tenant or other tenants) or the rent and other sums payable hereunder by Tenant or by other tenants, including, but not limited to, Tenant's gross income or Tenant's excise tax levied by any of the foregoing authorities with respect to receipt of such Tenant Rent or Subrent or other sums due under this Lease; (ii) upon any legal or equitable interest of Landlord in the Project or any part thereof; (iii) upon this transaction or any document to which Tenant is a party creating or transferring any interest in the Project; (iv) levied or assessed in lieu of, in substitution for, or in addition to, existing or additional taxes against the Project whether or not now customary or within the contemplation of the parties; (v) assessed for the purpose of constructing or maintaining or reimbursing the cost of construction of any streets, utilities or other public improvements; or (vi) surcharged against the parking area or (vii) levied upon any improvements to the Property or personal property of Landlord or Tenant located on or used exclusively in connection with the operation of the Project.

P. **Rent**. Monthly Rent plus any other amounts payable by Tenant under this Lease, all other such amounts being additional rent hereunder for all purposes.

Q. **Sublet**. Any assignment or transfer of any estate or interest in this Lease; any subletting or parting with or sharing of the occupation, control, or possession of the Premises, or of any part thereof or any right or privilege appurtenant thereto; allowing anyone to conduct business at or from the Premises (whether as concessionaire, franchisee, licensee, permittee, subtenant or otherwise); if Tenant is a corporation, any transfer of the effective voting control of Tenant; if Tenant is a partnership or limited liability company, any transfer of forty percent (40%) or more, in the aggregate, of the interests in either capital or profits of Tenant; any other transfer by voluntary or involuntary act or by operation of law (including by merger or consolidation); or any attempt to do any of the foregoing.

R. **Subrent**. Any consideration of any kind (cash, non-cash or general intangibles) received, or to be received, by Tenant from a subtenant if such sums are related to Tenant's interest in this Lease or in the Premises.

S. **Subtenant**. The person or entity with whom a Sublet agreement is proposed to be or is made.

T. **Tenant Improvements**. Those certain improvements to the Premises to be constructed by Landlord pursuant to EXHIBIT C, together with any future Alterations permitted under this Lease.

U. **Tenant's Agents**. Tenant's agents, together with any subsidiary, parent and affiliates, and any employees, officers, directors, shareholders, members, managers, partners, contractors, representatives, invitees and licensees of Tenant or such subsidiary, parent or affiliate.

V. **Tenant's Building Percentage**. The percentage determined by dividing the approximate rentable square footage of the Premises by the approximate total rentable square footage of the Building. Tenant's Building Percentage is currently agreed to be the percentage set forth in section C.5. of the Information Sheet.

W. **Tenant's Personal Property**. Tenant's trade fixtures, furniture, equipment and other personal property in the Premises.

X. **Term**. The term of this Lease set forth in Paragraph 4.A., as it may be sooner terminated under the terms hereof or as it may be extended hereunder pursuant to any options to extend granted herein or by any written amendments to or extensions of this Lease.

4. Lease Term.

A. Term. The Term shall be the period set forth in section C.3 of the Information Sheet, commencing on the Commencement Date, as defined below, and ending at midnight on the last day of such period, unless the Term is extended or sooner terminated, as hereinafter provided.

B. Commencement Date. Commencement Date shall be defined to mean the earliest to occur of the following:

(i) the date Tenant commences occupancy under this Lease of any portion of the Premises for the conduct of its business; or

(ii) the Estimated Commencement Date specified in section C.4. of the Information Sheet.

If for any reason Landlord does not or cannot deliver possession of all or any portion of the Premises to Tenant by the Estimated Commencement Date, Landlord shall not be subject to any liability therefore, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder, provided that such delay does not exceed thirty (30) days from the Estimated Commencement Date, but in such case, Tenant shall not be obligated to pay any Monthly Rent hereunder, until the date that Landlord delivers possession of the entire Premises to Tenant (which date shall then be deemed the Commencement Date). No such delay or adjustment in the Commencement Date shall alter the validity of this Lease or the nature or term of the obligations of Tenant hereunder, nor shall any such delay or adjustment cause the expiration date of this Lease to be later than July 12, 2014. If for any reason Landlord does not deliver possession of all or any portion of the Premises to Tenant for a period exceeding thirty (30) days from the Estimated Commencement Date, Tenant shall be entitled to terminate this Lease with respect to that portion of the Premises not delivered, and its obligations under this Lease shall cease with respect to, such portion of the Premises. Except as set forth in the Work Letter with respect to the hanging conference room wall, if Landlord fails to deliver at least ninety percent (90%) of the Premises by the Estimated Commencement Date, Tenant shall be entitled to terminate this Lease in its entirety. If Landlord fails to deliver the Premises in its entirety within ninety (90) days after the Estimated Commencement Date, Tenant shall be entitled to terminate this Lease in its entirety.

C. Commencement Date Memorandum. When the actual Commencement Date is determined, the parties shall execute a Commencement Date Memorandum, in the form attached hereto as EXHIBIT D, setting forth the Commencement Date and Expiration Date.

D. Early Entry. After receipt of a Certificate of Insurance from Tenant, Landlord shall permit Tenant to enter upon the Premises from and after the date of full execution of this Lease for the purpose of monitoring the planning and construction of the Tenant Improvements consisting of the Initial Installation by Landlord, in accordance with the provisions of EXHIBIT C, installing its furniture, fixtures and telephone, internet and data communications cabling and wiring, excluding the conduct of its business. Such early entry shall be at Tenant's sole risk and subject to all the terms and provisions hereof, except for the payment of Monthly Rent which shall commence on the date set forth in Paragraph 4.B. Whereupon certain Suites are currently occupied by other tenants, immediately upon vacation of such Suites by the existing tenants, Tenant will be granted access to such Suites. With respect to Suites not currently occupied by other tenants, Tenant will be granted access immediately upon execution of this Lease and provision of a Certificate of Insurance as set forth herein. Upon reasonable prior written notice to Landlord, and subject to Landlord's completion of any Tenant Improvements requested by Tenant pursuant to EXHIBIT C with respect thereto, Tenant will have the right to occupy Suite 2118 up to ninety (90) days prior to the Commencement Date. Should Tenant request occupancy of Suite 2118 prior to the Commencement Date, the parties will agree in writing upon a date certain for the commencement of such occupancy, and the rights and obligations of the Parties pursuant to this Lease with respect to Suite 2118, including, without limitation, Tenant's obligation to pay Rent with respect to Suite 2118, shall be effective upon the date of such occupancy. Early occupancy by Tenant of any portion of the Premises, including Suite 2118, shall not cause the expiration date of this Lease to be later or earlier than July 12, 2014.

E. Option To Extend.

(i) Conditions to Exercise of Option. Provided that Tenant is not in Default under this Lease at the time of exercise of the option to extend or at the commencement of the extension term, Tenant shall have the right to extend the Term of this Lease for an additional period of two (2) years ("**Extension Term**") commencing on July 13, 2014.

(ii) Notice of Exercise. If Tenant elects to extend this Lease for the Extension Term, Tenant shall deliver written notice ("**Exercise Notice**") of its exercise to Landlord not earlier than two hundred seventy (270) days prior to the Expiration Date of the initial Term of this Lease and not less than one hundred eighty (180) days prior to the Expiration Date of the initial Term of this Lease. Tenant's failure to deliver the Exercise Notice in a timely manner shall be deemed a waiver of Tenant's rights to extend the Term of this Lease.

(iii) Terms of the Extension Term. The delivery of an Exercise Notice shall constitute an irrevocable election by Tenant to extend the Term of the Lease upon the terms, covenants and conditions set forth herein. The terms, covenants and conditions applicable to the Extension Term shall be the same terms, covenants and conditions of this Lease except that (i) Tenant shall not be entitled to any further option to extend after the Extension Term; (ii) the Monthly Base Rent for the Extension Term shall be adjusted as provided in Paragraph 5.D.; and (iii) no provisions relating to the initial delivery of the Premises to Tenant (including, but not limited to, any TI Allowance provisions) shall be applicable to the Extension Term if the Extension Term is exercised.

(iv) Extension Option Personal to Original Tenant. The option to extend granted to Tenant pursuant to this Paragraph 4.E. shall not be assignable to any successor or assign of Tenant except for a Permitted Transferee, and shall terminate at the option of Landlord, if, at any time during the initial Term of this Lease, Tenant has subleased all or any portion of the Premises to any other party except for a Permitted Transferee. The foregoing right of termination shall only apply to that portion of the Premises subleased to a third party other than a Permitted Transferee, and shall survive with respect to any other portion of the Premises not so subleased by Tenant.

5. Rent.

A. Monthly Rent.

Tenant shall pay the First Month's Base Rent by the Commencement Date. Notwithstanding the foregoing, the parties acknowledge and agree that under that certain Office Lease Agreement dated May 1, 2007 by and between the parties (the "2007 Lease"), Tenant has previously paid in full all rent due with respect to Suite 2070 up to and including July 31, 2012. Accordingly, no Base Rent shall be due under this Lease by Tenant with respect to Suite 2070 from the Commencement Date up to and including July 31, 2012. Thereafter, on or before the first day of each calendar month, without prior notice or demand, deduction or offset, Tenant shall pay Monthly Rent to Landlord, in lawful money of the United States at the Office of the Landlord specified in section C.11. of the Information Sheet, or to such other place or person as Landlord may designate in the manner set forth in Paragraph 31. Monthly Rent shall consist of the sum of the following:

(i) **Base Rent**. Base Rent in the amount specified in section C.6. of the Information Sheet.; and

(ii) **Monthly Operating Expense Reimbursement.** The Monthly Operating Expense Reimbursement ("**Monthly Operating Expense Reimbursement**") shall equal to one twelfth (1/12) of Tenant's Building Percentage of the amount by which Landlord's estimate of the Operating Expenses for the relevant calendar year of the Term exceeds the Base Year Operating Expenses, as such terms are defined in Paragraph 15.

(iii) **Tenant Improvement Allowance Reimbursement.** The Tenant Improvement Allowance Reimbursement ("**Tenant Improvement Allowance Reimbursement**") shall equal, for every * dollar ($*) per square foot of Tenant Improvement Allowance utilized by Tenant in accordance with EXHIBIT C, the amount of * ($*) divided by the number of months remaining in the Term at the time such Tenant Improvement Allowance is utilized, multiplied by the rentable area specified in section C.2.a. of the Information Sheet. Reimbursement of any Tenant Improvement Allowance hereunder shall commence with the first payment of Monthly Rent due immediately after utilization of the Tenant Improvement Allowance by Tenant.

B. Prorations.

If the Commencement Date is not the first (1st) day of a month, or if the termination date is not the last day of a month, a prorated monthly installment based on a thirty (30) day month shall be paid for the fractional month during which this Lease commences or terminates.

C. Periodic Adjustments.

There shall be no periodic adjustments to the monthly Base Rent to be paid by Tenant during the Term of this Lease.

D. Determination of Monthly Base Rent During Extension Term.

(i) **Extension Term Initial Monthly Base Rent**. The monthly Base Rent payable during the first year of the Extension Term (the "Extension Term Initial Monthly Base Rent") shall be the then-prevailing fair market rental value for the comparable space located in the Menlo Park area, but in no event be less than the monthly Base Rent as provided in section C.6 of the Information Sheet, or greater than one hundred and twenty percent (120%) of the monthly Base Rent as provided in section C.6 of the Information Sheet. The Extension Term Initial Monthly Base Rent shall increase by three percent (3%) on an annual basis.

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* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

(ii) **Fair Market Rental Value**. Fair Market Rental Value as used herein shall mean: 100% of the monthly base rent and other amounts new tenants are then generally agreeing to pay under leases then being executed or renewed for comparable, improved office space in the Highway 101/Menlo Park submarket for office space. In determining the fair market rental value of the Premises during the Extension Term, consideration shall be given to all relevant factors, including, without limitation, such factors as credit-worthiness of the tenant, the duration of the term, any rental or other concessions granted, whether a broker's commission or finder's fee will be paid, responsibility for Operating Expenses, the uses of the Premises permitted under this Lease and the quality, condition, size, design and location of the Premises. Notwithstanding anything to the contrary contained in this Lease, the Base Year for the Extension Term for purposes of determining Tenant's share of Monthly Operating Expenses during the Extension Term shall be the calendar year in which the Extension Term commences.

(iii) **Landlord and Tenant to Seek to Agree**. Landlord and Tenant shall have thirty (30) days after Landlord receives the Exercise Notice in which to seek to agree on the Extension Term Initial Monthly Base Rent. If Landlord and Tenant agree on the Extension Term Initial Monthly Base Rent during such thirty (30) day period (or at any time thereafter), they shall promptly execute an amendment to this Lease confirming the Extension Term Initial Monthly Base Rent as so agreed as the monthly Base Rent for the first year of the Extension Term.

(iv) **Selection of Brokers to determine the Extension Term Initial Monthly Base Rent**. If Landlord and Tenant are unable to agree on the Extension Term Initial Monthly Base Rent within the thirty (30) day period, then within ten (10) days after the expiration of the thirty (30) day period, Landlord and Tenant each, at its cost and by giving notice to the other party, shall appoint a licensed commercial real estate broker with at least five (5) years' full-time commercial brokerage experience in the geographical area of the Project (a "**Broker**") to evaluate and set the Extension Term Initial Monthly Base Rent. If either Landlord or Tenant does not appoint a Broker within ten (10) days after the other party has given notice of the name of its Broker, the single Broker appointed shall be the sole Broker and shall set the Extension Term Initial Monthly Base Rent. If two (2) Brokers are appointed by Landlord and Tenant as stated in this Paragraph, they shall meet promptly and attempt to set the Extension Term Initial Monthly Base Rent. If the two (2) Brokers are unable to agree within thirty (30) days after the second Broker has been appointed, they shall attempt to select a third Broker meeting the qualifications stated in this Paragraph (with the additional qualification that such third Broker shall have had no prior, current, or presently committed future business or personal relationship with either Landlord or Tenant) within ten (10) days after the last day the two (2) Brokers are given to set the Extension Term Initial Monthly Base Rent; provided, however, if the two Broker's proposed Extension Term Initial Monthly Base Rent figures are ten percent (10%) or less apart, the two figures shall be added together and such total be divided by two to determine the Extension Term Initial Monthly Base Rent. If they are unable to agree on the third Broker, either Landlord or Tenant, by giving ten (10) days' notice to the other party, can apply to the then Presiding Judge of the Superior Court of San Mateo County for the selection of a third Broker who meets the qualifications stated in this Paragraph. Landlord and Tenant each shall bear one-half (1/2) of the cost of appointing the third Broker and of paying the third Broker's fee. Any time period set forth herein may be extended if mutually agreed in writing by the parties, to allow for further negotiation.

(v) **Value Determined by Three (3) Brokers**. Within thirty (30) days after the selection of the third Broker, a majority of the Brokers shall set the Extension Term Initial Monthly Base Rent. If a majority of the Brokers is unable to set the Extension Term Initial Monthly Base Rent within the stipulated period of time, the three (3) evaluations shall be added together and their total divided by three (3); the resulting quotient shall be the Extension Term Initial Monthly Base Rent for the Premises. If the low evaluation is more than ten percent (10%) lower than the middle evaluation, the low evaluation shall be disregarded; if the high evaluation is more than ten percent (10%) higher than the middle evaluation, the high evaluation shall be disregarded. If only one (1) evaluation is disregarded, the remaining two (2) evaluations shall be added together and their total divided by two (2); the resulting quotient shall be the Extension Term Initial Monthly Base Rent for the Premises. If both the low evaluation and the high evaluation are disregarded as stated in this Paragraph, the middle evaluation shall be the Extension Term Initial Monthly Base Rent for the Premises.

(vi) **Notice to Landlord and Tenant**. After the Extension Term Initial Monthly Rent for the first year of the Extension Term has been set, the Brokers shall notify Landlord and Tenant immediately and Landlord and Tenant shall promptly execute an amendment to this Lease confirming the Extension Term Initial Monthly Rent as so determined as the Monthly Rent for the first year of the Extension.

6. Late Payment Charges. TENANT ACKNOWLEDGES THAT LATE PAYMENT BY TENANT TO LANDLORD OF RENT AND OTHER CHARGES PROVIDED FOR UNDER THIS LEASE WILL CAUSE LANDLORD TO INCUR COSTS NOT CONTEMPLATED BY THIS LEASE, THE EXACT AMOUNT OF SUCH COSTS BEING EXTREMELY DIFFICULT OR IMPRACTICABLE TO FIX. THEREFORE, IF ANY INSTALLMENT OF RENT OR ANY OTHER CHARGE DUE FROM TENANT IS NOT RECEIVED BY LANDLORD WITHIN TEN (10) DAYS FOLLOWING THE DATE OF LANDLORD'S DELIVERY OF WRITTEN NOTICE TO TENANT STATING THAT SUCH AMOUNT WAS NOT RECEIVED ON OR BEFORE THE DATE DUE, TENANT SHALL PAY TO LANDLORD AN ADDITIONAL SUM EQUAL TO FIVE PERCENT (5%) OF THE AMOUNT OVERDUE AS A LATE CHARGE. THE PARTIES AGREE THAT THIS LATE CHARGE REPRESENTS A FAIR AND REASONABLE ESTIMATE OF THE COSTS THAT LANDLORD WILL INCUR BY REASON OF THE LATE PAYMENT BY TENANT. SUCH LATE CHARGE SHALL BE IN ADDITION TO, AND NOT IN LIEU OF, ANY INTEREST THAT MAY ACCRUE ON ANY SUCH OVERDUE AMOUNT PURSUANT TO THE PROVISIONS OF PARAGRAPH 44.

Initials: _____

/s/ Richard Schlenker	/s/ John A. Scarlett
Landlord	Tenant

7. Security Deposit. No security deposit shall be required by this Lease.

8. Holding Over. If Tenant remains in possession of all or any part of the Premises after the expiration of the Term, without the consent of Landlord, such tenancy shall be from month-to-month only and not a renewal hereof or any extension for any further term, and in such case, Monthly Rent shall be increased to an amount equal to one hundred fifty percent (150%) of the Monthly Rent paid during the last month of the Term and all other sums due hereunder shall be payable in the amount and at the time applicable at the time of expiration and at the time specified in this Lease and such month-to-month tenancy shall be subject to every other term, covenant and agreement of this Lease, excluding any option to extend the Term. In addition, Tenant shall defend, indemnify and hold Landlord, and Landlord's Agents free and harmless from and against any claim, loss, liability, expense or damage, including reasonable attorneys' fees and costs, arising out of Tenant's failure to surrender the Premises at the expiration of the Term, including, without limitation, any such damages resulting from Landlord's inability to honor its commitments to any other tenant for the Premises.

9. Tenant Improvements. Landlord shall provide, for Tenant's benefit, the Tenant Improvement Allowance set forth in Paragraph 2(f) of the Work Letter attached hereto as EXHIBIT C. Tenant shall have the right, but not the obligation, to utilize some or all of such Tenant Improvement Allowance for the purpose of constructing any Tenant Improvements permitted under this Lease (including, without limitation, the Initial Installation (as defined by the Work Letter) or any future Alterations). Landlord and Tenant agree to the terms and procedures for the planning, construction and funding of the construction of the Tenant Improvements comprising the Initial Installation as set forth in EXHIBIT C.

10. Condition of Premises. Landlord represents and warrants that the Building complied with all local and state codes and ordinances and all American with Disabilities Act requirements at the time of construction in 1989 and has been maintained in compliance with the foregoing. Notwithstanding anything to the contrary set forth in this Lease, should applicable law or any government agency require modification of the Outside Area or common space within the Building, or of the Premises, to permit use of thereof for general office purposes, such modifications will be at Landlord's sole cost. By taking possession of the Premises, Tenant shall be deemed to have accepted the Premises in "As Is" condition (except for the Initial Installations as set forth in Exhibit C), in good, clean and completed condition and repair, subject to all applicable laws, codes and ordinances. Tenant acknowledges that, except as expressly set forth in this Lease, neither Landlord nor Landlord's Agents have made any representations or warranties as to the suitability or fitness of the Premises or any other part of the Project (including, without limitation, the intra-building network cabling) for the conduct of Tenant's business or for any other purpose, nor has Landlord or Landlord's Agents agreed to undertake any Alterations or construct any Tenant Improvements to the Premise except as expressly provided in EXHIBIT C of this Lease.

11. Use of the Premises.

A. Tenant's Use. Tenant shall use the Premises solely for general office purposes and shall not use the Premises for any other purpose without obtaining the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion. Tenant agrees that the Property is subject and this Lease is subordinate to the CC&R's, a copy of which has been provided to Tenant. Tenant acknowledges that it has read the CC&R's and knows the contents thereof. Throughout the Term, Tenant shall faithfully and timely perform and comply with the CC&R's and any modification or amendments thereof, provided that Tenant is notified thereof by Landlord. Tenant shall comply with all duly adopted rules, regulations and restrictions as may be adopted from time to time by any committee established pursuant to the CC&Rs ("Association"), provided that Tenant is notified thereof by Landlord. Any periodic or special dues or Outside Area assessments of the Association shall be included within the definition of Operating Expenses pursuant to Paragraph 15.B. and Tenant shall pay Tenant's Building Percentage of such amounts over the Base Year amounts as further set forth in Paragraph 15. Tenant shall defend, indemnify and hold Landlord, and Landlord's Agents free and harmless from and against any claim, loss, liability, expense or damage, including reasonable attorneys' fees and costs, arising out of the actual or asserted failure of Tenant to perform or comply with the CC&R's. Tenant shall not permit or make any use of the Premises which will increase the existing rate of insurance upon the Project, or cause the cancellation of any insurance policy covering the Project, or any part thereof. If the existing rate of insurance shall be increased or any insurance policy covering the Project is canceled as a result of Tenant's or Tenant's Agent's acts or omissions, then Landlord, in addition to such remedies as Landlord may have under this Lease or pursuant to law or equity, shall be entitled to reimbursement from Tenant within ten (10) days after receipt of written demand therefor for the entire amount of said increase or any additional amount which must be paid for a new insurance policy.

B. Compliance. Tenant shall not use the Project or permit Tenant's Agents to do anything in or about the Project in conflict with any law, statute, zoning restriction, ordinance or governmental law, rule, regulation or requirement of duly constituted public authorities now in force or which may hereafter be in force, or the requirements of the Board of Fire Underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Project. If any law, statute, zoning restriction, ordinance or governmental law, rule, regulation or requirement of duly constituted public authorities requires any capital improvement to the Premises or the Building solely as the result of Tenant's particular use of the Premises, then Tenant shall be responsible for the same (or at the election of Landlord, for reimbursing Landlord for the cost of performing the same); provided, however, that if such capital improvement is so required for any reason other than Tenant's particular use of the Premises, then Landlord shall be responsible for the same, at Landlord's sole cost and expense, subject to Landlord's right to include such amounts as Operating Expenses on an amortized basis as provided in Paragraph 15.B. Tenant shall not abandon the Premises; provided, however, that if Tenant vacates the Premises while performing all of Tenant's other obligations under this Lease, such vacation shall not be deemed an abandonment and a Default hereunder. Tenant shall not commit any public or private nuisance or any other act or practice which might or would disturb the quiet enjoyment of any other tenant of Landlord or any occupant of nearby properties. Tenant shall place no loads upon the floors, walls or ceilings in excess of the maximum designed load determined by Landlord or which endanger the structure; nor place any harmful liquids in the drainage systems; nor dump or store waste materials or refuse or allow such to remain outside the Building proper, except in the enclosed trash areas provided. Tenant shall not store or permit to be stored or otherwise placed any material of any nature whatsoever outside the Building. If as a result of any Tenant-specific use or change in Tenant-specific use of the Premises by Tenant, any alterations are required to the Premises, the Building or the Project by applicable laws, including, without limitation, the Americans with Disabilities Act or any state or local building, fire or safety codes, ordinances or regulations, Tenant shall be responsible for the same (or at the election of Landlord, for reimbursing Landlord for the cost of performing the same). Except as expressly set forth in this Lease, any alterations required to the Premises, the Building or the Project by applicable laws, including, without limitation, The Americans with Disabilities Act or any state or local building, fire or safety codes, ordinances or regulations, shall be at Landlord's cost.

C. Toxic Material. Tenant, at its sole cost, shall comply with and cause Tenant's Agents to comply with all laws relating to the storage, use and disposal of hazardous, toxic or radioactive matter, including those materials identified in Sections 66680 through 66685 of Title 22 of the California Administrative Code, Division 4, Chapter 30 ("Title 22") as they may be amended from time to time (collectively, "Toxic Materials"). If Tenant or Tenant's Agents desire to store, use or dispose of any Toxic Materials in, on or about the Premises (other than the storage and use of reasonable quantities of customary office supplies), Tenant shall first request and obtain Landlord's approval to such proposed storage, use or disposal in writing, which request must be made at least ten (10) days prior to the storage, use or disposal thereof in, on or about the Premises. Whether or not Landlord is aware or approves of the storage, use or disposal of any Toxic Material by Tenant or Tenant's Agents, Tenant shall be solely responsible for and shall defend, indemnify and hold Landlord and Landlord's Agents harmless from and against all claims, costs and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with the storage, use, generation, transportation, disposal or release of Toxic Materials by Tenant or Tenant's Agents, including without limitation, any such claims, costs, damages and liabilities (including reasonable attorneys' fees and costs) arising out of or in connection with any investigation, testing, remediation, removal, clean-up and/or restoration services, work, materials and equipment necessary to return the Premises and any other property of whatever nature to their condition existing prior to the storage, use, generation, transportation, disposal or release of Toxic Materials by Tenant or Tenant's Agents in, on or about the Premises or the Project, and to otherwise satisfactorily investigate and remediate the contamination arising therefrom to the reasonable satisfaction of Landlord and all governmental authorities. The foregoing indemnification obligation shall likewise apply to Landlord with respect to Tenant and Tenant's Agents, as to any Toxic Materials maintained in the Building by Landlord. If at any time during or after the term of this Lease, as it may be extended, Tenant becomes aware of any injury, investigation, administrative proceeding, or judicial proceeding regarding the storage, use or disposition of any Toxic Materials by Tenant or Tenant's Agents on or about the Premises or the Project, Tenant shall within five (5) days after first learning of such injury, investigation or proceeding give Landlord written notice advising Landlord of same. Tenant acknowledges receipt of a copy of that certain June 1998 Focused Environmental Site Assessment, 149 Commonwealth Drive, Menlo Park, California, dated as of August 16, 1998, prepared by The Gauntlett Group, LLC, together with all attachments thereto ("Site Assessment"), that Landlord previously made available to Tenant, and which Tenant agrees to maintain in confidence. In addition, Landlord utilizes Toxic Materials in the operation of its business. Landlord represents and warrants to Tenant that Landlord uses all such Toxic Materials in compliance with all applicable laws, rules, regulations and ordinances.

D. Transportation Systems Management. Tenant shall comply with the requirements of the City or County mandated parking or transportation systems management ordinances.

E. Rules and Regulations. The Rules and Regulations for the Project in effect as of the Effective Date are attached hereto as EXHIBIT E. Landlord reserves the right to adopt or amend the Rules and Regulations from time to time in its reasonable discretion. Tenant agrees that Tenant, its employees and agents and, to the extent Tenant can require the same, its invitees, shall observe and perform the Rules and Regulations as they may be amended or adopted. A breach of the Rules and Regulations by Tenant or such persons shall constitute a Default under this Lease as if the Rules or Regulations were contained in this Lease as covenants of the Tenant. Tenant acknowledges that Landlord has no obligation to enforce, and shall have no liability for non-enforcement of, the Rules and Regulations. Notwithstanding the foregoing, in the event of any inconsistency between the Rules and Regulations and the provisions of this Lease, the provisions of this Lease shall control, and Landlord shall not enforce the Rules and Regulations in a discriminatory manner.

12. Quiet Enjoyment. Landlord covenants that Tenant, upon performing the terms, covenants and conditions of this Lease, shall have quiet and peaceful possession of the Premises as against any person claiming the same by, through or under Landlord.

13. Alterations. Landlord hereby consents to certain Tenant Improvements, on the terms and subject to the conditions of Exhibit C. Tenant shall not make or permit any Alterations in, on or about the Premises without the prior written consent of Landlord, and according to plans and specifications approved in writing by Landlord, which consent and approval shall not be unreasonably withheld, conditioned or delayed. Except in the case of the Tenant Improvements which are the subject of the Initial Installation, Landlord, at its sole option, may, however, require as a condition to the granting of any such consent, that Tenant provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount equal to one and one-half (1½) times any and all estimated costs of any intended improvements to the Premises, to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of the work. Except in the case of the Tenant Improvements which are the subject of the Initial Installation, and unless otherwise agreed in writing by the parties, Tenant shall, at its sole cost and expense, obtain all necessary permits and governmental inspections and approvals required in connection with any Alterations. All Alterations shall be installed at Tenant's sole expense (except as expressly set forth in this Lease), in compliance with all applicable laws (including, but not limited to, The American With Disabilities Act, and any state or local building, fire or safety codes, ordinances or regulations), the Rules and Regulations and the CC&R's, by Landlord's contractor unless otherwise agreed by the parties. All Alterations shall be done in a good and workmanlike manner conforming in quality and design with the Premises existing as of the Commencement Date, and shall not diminish the value of the Project. All Alterations made by Tenant shall be and become the property of Landlord upon installation and shall not be deemed Tenant's Personal Property. Notwithstanding any other provisions of this Lease, Tenant shall be solely responsible for the maintenance and repair of any and all Alterations made by it to the Premises. Tenant shall give Landlord written notice of Tenant's intention to perform any Alterations on the Premises at least twenty (20) days prior to the commencement of such Alterations to enable Landlord to post and record an appropriate Notice of Non-responsibility or other notice deemed proper before the commencement of any such Alterations.

14. Surrender of the Premises. Tenant shall not be required to restore or remove, or to pay Landlord for the restoration or removal of, any portion of the Initial Installation (as defined by the Work Letter attached hereto as Exhibit C) or any other improvement or alterations completed prior to the Commencement Date of this Lease, including, without limitation, any improvements or alterations completed or undertaken under the 2007 Lease, or future Alterations, provided that such future Alterations are approved in writing by Landlord in advance, such approval not to be unreasonably withheld. Except as permitted in this Lease, upon the expiration or earlier termination of the Term, Tenant shall surrender the Premises to Landlord in its condition existing as of the Commencement Date, normal wear and tear and fire or other insured casualty for which Tenant is not otherwise obligated under the provisions of Paragraph 18 to repair excepted, with all interior areas cleaned. Any damage or deterioration of the Premises shall not be deemed ordinary wear and tear if Tenant was responsible for maintaining the same under the provisions of Paragraph 18 and if the same could reasonably have been prevented by good maintenance practices by Tenant. Except as otherwise stated in this Lease, Tenant shall leave the air lines, power panels, electrical distribution systems, voice and data wiring, lighting fixtures, air conditioning, window coverings, wall coverings, carpets, wall paneling, ceilings, and plumbing on the Premises and in good operating condition. Tenant shall prior to the expiration or termination of the Term remove all Tenant's Personal Property, including security wiring installed by Tenant if requested by Landlord, and repair any damage and perform any restoration work caused or necessitated by any such removal. If Tenant fails to remove Tenant's Personal Property, and such failure continues after the termination of this Lease, Landlord may retain such property and all rights of Tenant with respect to it shall cease, or Landlord may place all or any portion of such property in public storage for Tenant's account. Tenant shall be liable to Landlord for costs of removal of Tenant's Personal Property and storage and transportation costs of same, and the cost of repairing and restoring the Premises, together with interest at the Interest Rate from the date of expenditure by Landlord until paid.

15. Operating Expenses.

A. Payment by Tenant. During the Term of this Lease, Tenant shall pay to Landlord, as Rent on a monthly basis as set forth in Paragraph 5.A (ii)., one-twelfth (1/12) of Tenant's Building Percentage of the amount by which Landlord's estimate of the Operating Expenses for each calendar year during the Term (after the Base Year) are estimated by Landlord to exceed the Operating Expenses incurred by Landlord for the Base Year, as such Base Year is specified in section C.8. of the Information Sheet ("**Base Year Operating Expenses**").

B. Operating Expenses. The term "**Operating Expenses**" shall mean all expenses, costs and disbursements (but not capital improvements except as otherwise expressly provided below, or specific costs especially billed to and paid by specific tenants) of every kind and nature which Landlord shall pay or become obligated to pay because of or in connection with the ownership, maintenance, repair or operation of the Project and such additional building or Outside Area facilities in subsequent years as may be determined by Landlord to be necessary or appropriate. Operating Expenses shall include, but not be limited to, the following, all of which shall be included in the Base Year:

(i) Wages and salaries of all employees engaged in the operation, maintenance and security of the Project, including taxes, insurance and benefits relating thereto; and the rental cost and overhead of any office and storage space used to provide such services;

(ii) All supplies and materials used in operation, repair and maintenance of the Project;

(iii) Cost of all utilities, including surcharges, for the Project, including the cost of water, sewer, gas, power, heating, lighting, air conditioning and ventilating for the Project;

(iv) Cost of all maintenance and service agreements for the Project and the equipment thereon, including but not limited to, security and energy management services, window cleaning, floor waxing, elevator maintenance, janitorial service, engineers, gardeners, and trash removal services;

(v) Cost of all insurance which Landlord or Landlord's lender deems necessary or appropriate for the Project such as the cost of "All-Risk" property insurance including, at Landlord's option, earthquake and flood coverage, insurance against loss of rents on an "All-Risk" basis, and a lender's loss payable endorsement in favor of any lenders with respect to the Project, and naming Landlord and such lenders as insureds; and casualty and liability insurance applicable to the Building, Property and Outside Area and Landlord's personal property used in connection therewith, naming Landlord and Landlord's Agents as named or additional insureds;

(vi) Cost of repairs and general maintenance (excluding repairs and general maintenance to the extent then paid by proceeds of insurance or other third parties);

(vii) A management fee of no more than three percent (3%) of annual gross rentals generated by the Project (which management may be provided either by Landlord, affiliates of Landlord and/or by third parties) (the "Management Fee"), and with any space in the Project utilized by Landlord deemed to be leased at the rate of Monthly Rent under this Lease (on a rentable square foot basis);

(viii) The costs of any additional services not provided to the Project at the Commencement Date but thereafter provided by Landlord in its management of the Building, Property or Outside Area;

(ix) The cost of only those capital improvements (including interest) made to the Project after the Effective Date that are (i) intended to reduce other Operating Expenses (as to which the amortized cost to be included in Operating Expenses in any year shall be limited to the actual reduction in Operating Expenses during such year as a result thereof or (ii) are required to be made in order to conform to any changes subsequent to the Commencement Date in any applicable laws, ordinances, rules, regulations or orders of any governmental agencies having jurisdiction over the Building or which enhance in any material respect the general appearance or use of the Project or any portion thereof, with the cost of such capital improvements described in clauses (i) and (ii) above being amortized with interest at an annual rate of eight percent (8%) simple over the period Landlord reasonably determines to be the useful life of the capital improvement, consistent with applicable governmental requirements and generally accepted accounting principles consistently applied;

(x) Real Property Taxes, as that term is defined in Paragraph 16; and

(xi) Assessments, dues and other amounts payable pursuant to the CC&R's, including any and all assessments and dues of the Association.

The cost of additional or extraordinary services requested by Tenant and not paid or payable by Tenant pursuant to other provisions of this Lease shall be payable by Tenant on a monthly basis.

Operating Expenses shall not include:

(a) the cost of any additional or extraordinary services provided to other tenants of the Building;

(b) costs paid for directly by Tenant;

(c) principal and interest payments on loans secured by deeds of trust recorded against the Project;

(d) real estate sales or leasing brokerage commissions;

(e) executive salaries of off-site personnel employed by Landlord except for the charge (or pro rata share) of the manager of the Project (which manager's salary is not included within the Management Fee).

(f) attorneys' fees, costs and disbursements and other expenses incurred in connection with negotiations or disputes with Tenant, other occupants, or prospective tenant or occupants;

(g) renovating or otherwise improving, decorating, painting or redecorating spaces for tenants or other occupants of the Project;

(h) costs incurred due to violations by Landlord or any tenant of the terms and conditions of any lease;

(i) advertising and promotional expenditures;

(j) any fines or penalties incurred due to violations by Landlord of any law or governmental rule or authority;

(k) the cost of any items for which the Landlord is actually reimbursed by condemnation proceeds, insurance carried (or required by this Lease to be carried and not so carried) or by warranty or for which Landlord is otherwise actually compensated;

(l) costs for sculpture, painting or other objects of art;

(m) charitable contributions;

(n) any costs relating to Toxic Materials, asbestos and the like not resulting from actions of Tenant;

(o) costs incurred by Landlord due to the negligence or misconduct of Landlord or its agents, contractors, licensees and employees or the violation by Landlord or any tenants or other occupants of the terms and conditions of any lease of space or other agreements including this Lease.

The Landlord shall not recover under this Section 15 or elsewhere in this Lease any item of cost more than once.

C. Adjustment.

(i) **Projected Increases.** Prior to or at any time after the commencement of each calendar year during the Term following the Base Year, Landlord may provide Tenant with notice of Landlord's reasonable estimate of the amount by which the then current year's Operating Expenses are projected, if at all, to exceed the Base Year Operating Expenses (the "Projected Increase in Operating Expenses"). Tenant shall thereafter during such year pay adjusted Monthly Rent which shall include as the Monthly Operating Expense Reimbursement an amount equal to one-twelfth (1/12) of Tenant's Building Percentage multiplied by any Projected Increase in Operating Expenses.

(ii) **Accounting.** Within ninety (90) days (or as soon thereafter as possible) after the close of each calendar year after the Base Year, Landlord shall provide Tenant a statement of (a) such year's actual Operating Expenses, (b) the Base Year Operating Expenses, (c) the amount, if any, by which the actual Operating Expenses exceed the Base Year Operating Expenses (the "Actual Increase in Operating Expenses"), (d) the amount equating to Tenant's Building Percentage of any Actual Increase in Operating Expenses and (e) the sum of any amounts theretofore paid by Tenant as Monthly Operating Expense Reimbursements pursuant to Paragraph 5.A. with respect to such year. If the amount set forth in clause (d) above exceeds the amount set forth in clause (e) above, Tenant shall pay the amount of such excess to Landlord within ten (10) days after receipt of such statement, which obligation shall survive the expiration or earlier termination of its Term of the Lease. If the amount set forth in clause (e) above exceeds the amount set forth in clause (d) above, Landlord shall, within thirty (30) days after the date of such statement, credit the amount of such excess against the next accruing payment(s) of Monthly Operating Expense Reimbursements or reimburse Tenant for same if this Lease has terminated prior to the date such determination is made. If Tenant disputes the amount of the Actual Increase in Operating Expenses stated in said statement, Tenant may designate, within sixty (60) days after receipt of such statement, an independent certified public accountant to inspect Landlord's records, at Tenant's sole cost. Tenant is not entitled to request that inspection, however, if Tenant is then in Default under this Lease. The accountant shall be a member of a nationally recognized accounting firm and shall not charge a fee based on the amount of the Actual Increase in Operating Expenses that the accountant is able to save Tenant by the inspection. Such accountant and Tenant shall, at Landlord's option, prior to the occurrence of any such inspection, execute a confidentiality agreement in form reasonably acceptable to the parties thereto in which such accountant and Tenant agree to maintain Landlord's books and records and the results of such inspection in confidence. Tenant shall give reasonable notice to Landlord of the request for inspection, and the inspection shall be conducted in Landlord's offices at a reasonable time or times. If, after that inspection, Tenant still disputes the Actual Increase in Operating Expenses, a certification of the proper amount shall be made, at Tenant's expense, by an independent certified public accountant mutually acceptable to Landlord and Tenant. That certification shall be final and conclusive. If any such certification demonstrates that Landlord's statement overstated the amount of the Actual Increase in Operating Expenses by 5% or more, Landlord shall credit or reimburse the reasonable cost of the audit not to exceed $1,500.00 and the amount of Tenant's Building Percentage thereof against the next accruing payment(s) of Monthly Operating Expense Reimbursements or reimburse Tenant for same if this Lease has terminated prior to the date such determination is made. Such reimbursement is Tenant's sole remedy for any error in such statement from Landlord.

(iii) **Proration.** Tenant's liability to pay Tenant's Building Percentage of Operating Expenses in excess of Base Year Operating Expenses shall be prorated on the basis of a 365-day year to account for any fractional portion of a year included at the commencement or expiration of the term of this Lease.

(iv) **Not Fully Occupied.** Notwithstanding any other provision to the contrary, it is agreed that if the Building, in total, is less than ninety-five percent (95%) occupied during all or any portion of any calendar year (including, without limitation, the Base Year), an adjustment shall be made in calculating the Operating Expenses for the Project for such year so that Tenant's Percentage of Operating Expenses in excess of the Base Year Operating Expenses shall be equivalent to the Operating Expenses calculated as though the Building, in total, had been ninety-five percent (95%) occupied during the entirety of such year.

(v) **Survival.** Landlord and Tenant's obligation to pay for or credit any increase or decrease in payments pursuant to this Paragraph shall survive the expiration or termination of the Term of this Lease.

D. Failure to Pay or Reimburse. Failure of Tenant to pay or by Landlord to reimburse any of the charges required to be paid or reimburse under this Paragraph 15. shall constitute a breach of this Lease and Landlord's remedies shall be as specified in Paragraph 29.B.

16. Taxes and Assessments.

A. Payment by Tenant. Except as provided for in Paragraph 16.C., Real Property Taxes for the Project shall be included within Operating Expenses pursuant to Paragraph 15.B.

B. Annual Assessments. With respect to any taxes or assessments which may be levied against or upon the Project, or which under the laws then in force may be evidenced by improvement or other bonds or may be paid in annual installments, only the amount of such annual installment (with appropriate proration for any partial year) and interest due thereon shall be included within the computation of the annual taxes and assessments levied against the Project.

C. Taxes Levied Against Tenant's Alterations and Personal Property. In addition to Tenant's obligation to pay its Building Percentage of Operating Expenses over Base Year Operating Expenses as provided in Paragraphs 15 and 16.A., (i) Tenant shall be responsible for and shall pay to the taxing authority prior to delinquency to the extent Tenant is billed directly, all Real Property Taxes assessed with respect to or against Tenant, or any fixtures, equipment, facilities, furniture, Tenant Alterations or other Personal Property owned by Tenant or placed, installed or located within, upon or about the Premises by Tenant or at Tenant's direction (collectively "Personal Property Taxes"), and (ii) to the extent any Personal Property Taxes are billed to Landlord and Landlord elects not to include such Personal Property Taxes in Operating Expenses, Tenant shall be responsible for and shall pay to Landlord within ten (10) days after written notice from Landlord, the amount of such Personal Property Taxes so billed to Landlord. Tenant shall provide Landlord with evidence of Tenant's payment of the same upon Landlord's request.

D. Failure to Pay. Failure of Tenant to pay any of the charges required to be paid under this Paragraph 16 shall constitute a Default, and Landlord's remedies shall be as specified in Paragraph 29.B.

17. Utilities and Services.

A. Services Provided by Landlord. Landlord shall provide heating, ventilation, air conditioning, security, janitorial and normal office trash removal service, mail pickup and delivery (not to include postage), reception service at the main Building lobby during normal business hours as defined by Paragraph C.13 of the Information Sheet, and such other services as are set forth in EXHIBIT F, and reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Except for those services as to which costs are set forth in EXHIBIT F, costs of all such services shall be included in Operating Expenses, pursuant to Paragraph 15.B.

B. Services Exclusive to Tenant. Tenant shall pay for all telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Tenant, together with any taxes thereon. Any such services that are not separately metered to the Premises shall be included in Operating Expenses, pursuant to Paragraph 15.B.

C. Hours of Service. Said services shall be provided during generally accepted business days and hours or such other days or hours as may hereafter be set forth. Utilities shall be provided on a twenty-four hour basis, subject to the provision of this Paragraph 17.

D. Excess Usage by Tenant. Tenant shall not have connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security services, over standard office usage for the Project. Landlord shall require Tenant to reimburse Landlord for any excess expenses or costs that may arise out of a breach of this subparagraph by Tenant. Landlord may, in its sole discretion, install at Tenant's expense supplemental equipment and/or separate metering applicable to Tenant's excess usage or loading.

E. Interruptions. There shall be no abatement of Rent and Landlord shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Landlord's reasonable control or in cooperation with governmental request or directions.

F. After Hours HVAC. No additional charge will be levied by Landlord for occasional after hour use of HVAC. Tenant will use bypass switches presently installed. In the event additional HVAC is required for an individual area within the Premises, a separate HVAC unit with check meter will be installed to record usage, at the sole expense of Tenant. Tenant will reimburse Landlord at the rate charged by the utility company for this usage.

G. Paging. The paging system is divided into sub-zones whereby Tenant will have the ability to page personnel within the confines of the Premises. In the event of an emergency or building evacuation, Landlord will have the capability to make paging announcements in the Premises. Tenant shall not adjust, alter, or remove any Landlord paging system equipment at any time.

18. Repair and Maintenance.

A. Premises, Building and Outside Area.

(i) **Maintenance and Repair; Landlord's Obligations.** Landlord shall keep the Project, including the Premises, interior and exterior walls, roof, and common areas and the equipment, whether used exclusively for Tenant or in common with Landlord or other tenants, in good condition and repair; provided, however, Landlord shall not be obligated to paint, repair or replace wall coverings, or to repair or replace any Tenant Improvements, Alterations, or any improvements that are not ordinarily a part of the Building or are above then Building standards. Except as provided in Paragraph 25, there shall be no abatement of Rent or liability of Tenant on account of any injury or interference with Tenant's business with respect to any improvements, alterations or repairs made by Landlord to the Project or any part thereof. Landlord shall be responsible for maintaining and repairing (a) the structural parts of the Building, which structural parts include the foundation, roof and subflooring of the Premises, the basic plumbing, heating, ventilating, air conditioning and electrical systems installed or furnished by Landlord, and (b) the Outside Area, except for any damage to Premises, Building or Outside Area caused by the negligence or willful acts or omissions of Tenant or of Tenant's Agents, or by reason of the failure of Tenant to perform or comply with any terms, conditions or covenants in this Lease, or caused by Alterations made by Tenant or by Tenant's Agents, which shall be Tenant's responsibility. Except as otherwise provided in Paragraph 15.B., all costs of repair and maintenance of the Project shall be included in the Operating Expenses.

(ii) **Janitorial Services.** Landlord shall cause janitorial and normal office trash removal service to be provided to the Premises five (5) days a week, Sunday through Thursday, and the cost thereof shall be included in Operating Expenses under the provisions of Paragraph 15.B. Coverage will not be provided on holidays observed by Landlord.

(iii) **Tenant's Obligations.** Notwithstanding Landlord's obligation to keep the Premises in good condition and repair, Tenant shall be responsible for payment of the cost thereof to Landlord as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Tenant or the Premises, to the extent such cost is attributable to causes beyond normal wear and tear. Tenant shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any Tenant Improvements, Alterations and any other Premises improvements installed by or for the Tenant that are not ordinarily a part of the Building or that are above then Building standards. Landlord may, at its option, upon reasonable notice, elect to have Tenant perform such maintenance or repairs which are otherwise Tenant's responsibility hereunder.

(iv) **Notice of Repairs Needed.** Landlord shall not be liable for any failure to make any of the repairs or to perform any maintenance unless the failure shall persist for an unreasonable time after written notice of the need of the repairs or maintenance is given to Landlord by Tenant. For any HVAC failure affecting the server room on the Premises or other failure involving life safety systems or security, Landlord will make best efforts to respond within twenty-four (24) hours. For any other repairs or maintenance, an "unreasonable amount of time" will be determined by the circumstances, but in any event such repair or maintenance will be undertaken within forty five (45) days after written notice to Landlord by Tenant.

(v) **No Abatement.** There shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to, or maintenance of, any portion of the Project, or any fixtures, appurtenances and equipment therein provided Landlord makes reasonable efforts not to unduly interfere with Tenant's use and enjoyment of the Project.

B. Control and Reconfiguration. Landlord shall at all times have exclusive control of the Building (other than the Premises) and the Outside Area and may at any time temporarily close any part thereof and exclude and restrain anyone from any part thereof, and may change the design configuration or location of the Building or the Outside Area. Without limiting the generality of the foregoing statements, Landlord shall have the right, in Landlord's sole discretion, from time to time, to:

(i) Make changes to the Building interior and exterior and Outside Area, including, without limitation, changes in the location, size, shape, number, and appearance thereof, including but not limited to the lobbies, cafeteria, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, parking spaces, parking areas, loading and unloading areas, entrances and exits, direction of traffic, decorative walls, landscaped areas and walkways; however, Landlord shall at all times provide the parking facilities required by law;

(ii) Temporarily close any of the Outside Area for maintenance so long as reasonable access to the Premises remains available;

(iii) Add additional buildings and improvements to the Outside Area;

(iv) Use the Outside Area while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof;

(v) Do and perform such other acts and make such other changes in, to or with respect to the Outside Area and Project as Landlord may, in the exercise of sound business judgment, deem to be appropriate; and

(vi) Eliminate any of the additional services set forth on EXHIBIT F. Landlord shall further have the right to enter upon the Premises, as provided in Paragraph 21, for the purpose of installing, maintaining, repairing, adjusting and making connections to any utilities (including but not limited to plumbing, HVAC, electrical, telephone, and cable TV) serving the Premises or other spaces in the Building or for gaining access to the structural portions of the Building and making alterations thereto for the benefit of Tenant, Landlord or other occupants of the Building. No such entry shall be considered a constructive or actual eviction of Tenant, and Landlord shall have no liability to Tenant therefor, provided that Landlord shall use commercially reasonable efforts to minimize interference with Tenant's operations.

C. Waiver. Provided that repairs are made by Landlord according to the provisions of Paragraph A(iv), Tenant waives the provisions of all laws, statutes or ordinances, including Sections 1932(1), 1932(2), 1933(4), 1941 and 1942 of the California Civil Code and any similar or successor law, which might now or at any time hereafter otherwise afford Tenant any right to make repairs and deduct the expenses of such repairs from the Rent due under this Lease.

D. Compliance with Governmental Regulations. Subject to the provisions of Paragraphs 10 and 11, Tenant shall, at its cost comply with, including the making by Tenant of any Alteration to the Premises, all present and future regulations, rules, laws, ordinances, and requirements of all governmental authorities (including, state municipal, county and federal governments and their departments, bureaus, boards and officials) arising from the use or occupancy of, or applicable to, the Project or privileges appurtenant thereto (including, but not limited to, any state or local building, fire or safety codes, ordinances or regulations).

E. Repair Where Tenant at Fault. If all or part of the Project or the Premises requires repair or becomes damaged or destroyed through any act or omission of Tenant or Tenant's Agents, Landlord may effect the necessary alterations, replacements or repairs at Tenant's cost.

19. Fixtures. Tenant shall, at its own expense, provide, install and maintain in good condition all trade fixtures, equipment and other Tenant's Personal Property required in the conduct of its business in the Premises. All fixtures and improvements, other than Tenant's trade fixtures, furniture (not including furniture owned by Landlord and used by Tenant) and equipment, which are installed or constructed upon or attached to the Premises by either Landlord or Tenant shall become a part of the realty and belong to Landlord. If Tenant is not then in Default, Tenant may, at the termination of this Lease, or at any other time, remove from the Premises all trade fixtures, furniture (not including furniture owned by Landlord and used by Tenant), equipment and other Tenant's Personal Property not permanently affixed to the Premises. Upon removal, Tenant shall restore the Premises to its original condition at the time of occupancy, Tenant Improvements, Alterations and normal wear and tear excepted, subject to the provisions of Paragraph 25.

20. Liens. Tenant shall keep the Project free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant and shall defend, indemnify and hold the Project, Landlord and Landlord's Agents free and harmless from and against any lien, claim, cause of action, loss, liability, damage or expense, including reasonable attorneys' fees and costs, in connection with or arising out of any such lien or claim of lien. Tenant shall cause any such lien imposed to be released of record by payment or posting of a proper bond acceptable to Landlord within ten (10) days after receipt of written request by Landlord. If Tenant fails to so remove any such lien within the prescribed ten (10) day period, then Landlord may do so and Tenant shall reimburse Landlord upon demand. Such reimbursement shall include all sums incurred by Landlord including Landlord's reasonable attorneys' fees, with interest thereon at the Interest Rate.

21. Landlord's Right to Enter the Premises. Tenant shall permit Landlord and its Agents to enter the Premises at all reasonable times with at least twenty-four (24) hours' prior notice to Tenant, with the exception of emergencies, to inspect the Premises, to post Notices of Non-responsibility and similar notices, "For Sale" signs, to show the Premises to interested parties such as prospective lenders and purchasers, to make repairs or alterations to the Premises or the Building and any utility system located therein, to discharge Tenant's obligations hereunder when Tenant has failed to do so within a reasonable time after written notice from Landlord, and at any reasonable time within one hundred eighty (180) days prior to the expiration of the Term, to place upon the Premises ordinary "For Lease" signs and to show the Premises to prospective tenants. The above rights are subject to reasonable security regulations of Tenant, and to the fact that Landlord shall seek to exercise its rights in a manner so as to minimize interference with Tenant's business.

22. Signs. Tenant shall not install any signs upon the exterior of the Premises or the Project. Tenant shall not install any signs on the interior of the premises without first obtaining Landlord's written consent, which shall not be unreasonably withheld or delayed. Landlord will provide one line on a monument sign, at Landlord's expense. Tenant may install up to two building standard signs located at mutually acceptable locations proximately outside Tenant's suite, at Tenant's expense.

23. Insurance.

A. Indemnification.

(i) By Tenant. Tenant shall protect, defend, indemnify and hold Landlord and Landlord's Agents free and harmless from and against any and all damage, loss, liability or expense including, without limitation, reasonable attorneys' fees, expert witness fees and legal costs suffered directly or indirectly or by reason of any claim, cause of action, suit or judgment brought by or in favor of any person or persons for damage, loss or expense (any of the foregoing referred to herein as a "Claim") due to, but not limited to, bodily injury and property damage sustained by such person or persons which arises out of, is occasioned by or in any way attributable to (i) injury or damage occurring upon the Premises, (ii) the use or occupancy of the Project or any part thereof and adjacent areas by the Tenant, or (iii) the acts or omissions of the Tenant, its agents or employees or any contractors brought onto the Project by Tenant, except to the extent caused by the gross negligence or willful misconduct of Landlord or Landlord's Agents.

(ii) By Landlord. Landlord shall protect, defend, indemnify and hold Tenant and Tenant's Agents free and harmless from and against any and all Claims due to, but not limited to, bodily injury and property damage sustained by such person or persons which arises out of, is occasioned by or in any way attributable to the gross negligence or willful misconduct of Landlord or Landlord's Agents.

(iii) Landlord and Tenant agree that the indemnity obligations assumed herein and in other provisions of this Lease shall survive the expiration or earlier termination of the Term of this Lease.

B. Tenant's Insurance. Tenant shall maintain in full force and effect at all times during the Term (including any extension(s)), at its own expense, for the protection of Tenant and Landlord, as their interests may appear, policies of insurance issued by a responsible carrier or carriers, reasonably acceptable to Landlord, which afford the following coverages:

(i) Worker's Compensation for Tenant's employees - In accordance with state law.

(ii) Commercial general liability insurance in an amount not less than Two Million and no/100ths Dollars ($2,000,000.00) combined single limit for both bodily injury and property damage which includes contractual liability, broad form property damage, personal injury, completed operations, and products liability naming Landlord as an additional insured.

(iii) "All Risk" property insurance (including, without limitation, vandalism, malicious mischief, inflation and sprinkler leakage endorsement) on Tenant's Personal Property located on or in the Premises together with any improvement or Alteration which Landlord is not obligated to repair pursuant to Paragraph 25.E. Such insurance shall be in the full amount of the replacement cost, as the same may from time to time increase as a result of inflation or otherwise and shall name Tenant as a loss payee.

C. Landlord's Insurance. During the Term Landlord shall maintain "All Risk" property insurance (including, at Landlord's option, inflation endorsement, sprinkler leakage endorsement, and earthquake and flood coverage) on the Project, excluding coverage of the Tenant Improvements and all Tenant's Personal Property located on or in the Premises. At Landlord's option, the coverage shall also include insurance against loss of rents on an "All Risk" basis, including flood, in an amount equal to the Monthly Rent, and any other sums payable under the Lease, for a period of at least twelve (12) months commencing on the date of loss. Such insurance shall name Landlord as a named insured and may at Landlord's option include 's Landlord's Agents as named insureds and lender's loss payable endorsement(s) in favor of lenders with respect to the Property. The insurance premiums for "All Risk" property insurance, including the premiums resulting from increases in the valuation of the Project, shall be included in Operating Expenses.

D. Evidence of Insurance. Tenant shall deliver to Landlord, prior to Tenant's entry onto the Premises, certificates of insurance evidencing the insurance for the coverage specified in Paragraph 23.B., with the limits not less than those specified therein. Tenant will endeavor to provide not less than thirty (30) days' prior written notification to Landlord in the event of cancellation, and ten (10) days' notice of cancellation for non-payment of premiums, with respect to any required coverage unless comparable insurance is obtained from another carrier prior to the effective date of cancellation.

E. Co-Insurer. If, on account of the failure of Tenant to comply with the foregoing provisions, Landlord is adjudged a co-insurer by its insurance carrier, then, any loss or damage Landlord shall sustain by reason thereof, including reasonable attorneys' fees and costs, shall be borne by Tenant and shall be immediately paid by Tenant upon receipt of a bill therefor and evidence of such loss.

F. Insurance Requirements. All insurance shall be in a form reasonably satisfactory to Landlord. All policies required by Paragraph 23.B. shall be carried with companies that have a general policy holder's rating of not less than "A-" and a financial rating of not less than Class "VIII" in the most current edition of *Best's Insurance Reports*. All policies required by Paragraph 23.B. shall be primary as to the Landlord. Tenant shall provide Landlord an up to date Certificate of Insurance within (30) thirty days of any material alteration of its policy. Landlord may, not more than twice annually, request in writing a copy of Tenant's insurance certificate. If Tenant fails to procure and maintain the insurance required hereunder, Landlord may, but shall not be required to, order such insurance at Tenant's sole expense and Tenant shall reimburse Landlord the reasonable cost thereof. Such reimbursement shall include all reasonable sums incurred by Landlord with respect to obtaining such insurance, including reasonable attorney's fees, with interest thereon at the Interest Rate.

G. No Limitation of Liability. Landlord makes no representation that the limits of liability specified to be carried by Tenant under the terms of this Lease are adequate to protect Tenant or Landlord, and in the event Tenant believes that any such insurance coverage called for under this Lease is insufficient, Tenant shall provide, at its own expense, such additional insurance as Tenant deems adequate.

H. Landlord's Disclaimer. Landlord and Landlord's Agents shall not be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, glass, tile or sheetrock, steam, gas, electricity, water or rain which may leak from any part of the Project, or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or whatsoever, unless caused by or due to the gross negligence or willful misconduct of Landlord or Landlord's Agents or material breach of this Lease by Landlord. Landlord and Landlord's Agents shall not be liable for interference with the light, air, or any latent defect in the Project. In no event whatsoever shall Landlord be liable for losses attributable to interruption of telephone services. Tenant shall give prompt written notice to Landlord in the case of a casualty, accident or repair needed in the Project.

24. Waiver of Subrogation. Landlord and Tenant each hereby waive all rights of recovery against the other on account of loss and damage occasioned to such waiving party for its property or the property of others under its control to the extent that such loss or damage is insured against under any insurance policies which may be in force at the time of such loss or damage, but only to the extent of insurance proceeds actually received. Tenant and Landlord shall, upon obtaining policies of insurance required hereunder, give notice to the insurance carrier that the foregoing mutual waiver of subrogation is contained in this Lease and Tenant and Landlord shall cause each insurance policy obtained by such party to provide that the insurance company waives all right of recovery by way of subrogation against either Landlord or Tenant in connection with any damage covered by such policy.

25. Damage or Destruction.

A. Partial Damage — Insured. If the Premises or the Building are damaged by any casualty which is covered under the "All-Risk" insurance carried by Landlord pursuant to Paragraph 23.C., then Landlord shall restore the damage, provided insurance proceeds are available to pay the full cost of restoration and provided such restoration can be completed within one hundred eighty (180) days after the commencement of the work in the reasonable opinion of Landlord. In such event this Lease shall continue in full force and effect, except that Tenant shall be entitled to a proportionate reduction of Monthly Rent while such restoration for which Landlord is obligated hereunder takes place, such proportionate reduction to be based upon the extent to which the damage and restoration efforts interfere with Tenant's use of the Premises.

B. Partial Damage — Uninsured. If the Premises or the Building is damaged by a risk not covered by Landlord's insurance, or the available proceeds of insurance are less than the cost of restoration, or if the restoration cannot be completed within one hundred eighty (180) days after the commencement of work, in the reasonable opinion of Landlord, then Landlord shall have the option either to: (i) repair or restore such damage, this Lease continuing in full force and effect, but the Monthly Rent to be proportionately abated as provided in Paragraph 25.A.; or (ii) give notice to Tenant at any time within thirty (30) days after such damage terminating this Lease as of a date to be specified in such notice, which date shall be not less than thirty (30) nor more than sixty (60) days after giving such notice. If notice of termination is given, this Lease shall expire and all interest of Tenant in the Premises shall terminate on the date specified in the notice and the Monthly Rent shall be reduced in proportion to the extent, if any, to which the damage interferes with the use of the Premises by Tenant and any prepaid Monthly Rent and Operating Expenses shall be refunded to Tenant to the same extent. All insurance proceeds for the Premises shall be payable solely to Landlord, and Tenant shall have no interest in the proceeds.

C. Total Destruction. If the Premises or the Building is totally destroyed or the Premises or Building, as the case may be, cannot be restored as required herein under applicable laws and regulations or due to the presence of hazardous factors such as earthquake faults, chemical waste and similar dangers, notwithstanding the availability of insurance proceeds, this Lease shall be terminated effective the date of the damage.

D. Tenant's Election. If the Premises are damaged by any casualty, or if any portion of the Outside Area is damaged by a casualty to such an extent that the Premises is no longer useable by Tenant, in Tenant's reasonable opinion, and if, in Landlord's reasonable opinion, such casualty cannot be repaired or restored within one hundred eighty (180) days after commencement of such work, then Tenant may, by written notice delivered to Landlord at any time within thirty (30) days after such damage, terminate this Lease as of the future date specified in such notice, which date shall not be less than thirty (30) nor more than sixty (60) days after the date of Tenant's delivery of such notice. If notice of termination is so given, this Lease shall expire and all interests of Tenant and the Premises shall terminate on the date specified in the notice and the Monthly Rent shall be reduced in proportion to the extent, if any, to which the damage interferes with the use of the Premises by Tenant and any prepaid Monthly Rent and Operating Expenses shall be refunded to Tenant to the same extent. All insurance proceeds for the Premises shall be payable to Landlord, and Tenant shall have no interest in the proceeds.

E. Landlord's Obligations. Landlord shall not be required to insure against or repair any injury or damage by fire or other cause, or to make any restoration or replacement of any paneling, decorations, partitions, railings, floor coverings, office fixtures or other items which are Tenant Improvements, Alterations or Personal Property installed in the Premises by Tenant or at the direct or indirect expense of Tenant. Tenant shall be required at Tenant's sole cost and expense, separately to insure the same and promptly to restore or replace same in the event of damage. Except for any abatement of Monthly Rent relating to the plan of restoration of damage for which Landlord is obligated to repair hereunder, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration; nor shall Tenant have the right to terminate this Lease as the result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises, except as expressly provided herein.

F. Damage Near End of Term. Anything herein to the contrary notwithstanding, if more than fifty percent (50%) of the Building is destroyed or damaged during the last twelve (12) months of the Term, then either Tenant or Landlord may, at its option, cancel and terminate this Lease as of the date of the occurrence of the damage. If neither such party elects to terminate this Lease, the repair of the damage shall be governed by the other provisions of this Paragraph 25. If this Lease is terminated, Landlord may keep all the insurance proceeds resulting from the damage, except for the proceeds which specifically insured Tenant's Personal Property.

26. Condemnation.

A. Total Taking — Termination. If title to all of the Premises or so much thereof is taken or appropriated for any public or quasi-public use under any statute or by right of eminent domain so that reconstruction of the Premises will not, in Landlord's and Tenant's mutual opinion, result in the Premises being reasonably suitable for Tenant's continued occupancy for the uses and purposes permitted by this Lease, this Lease shall terminate as of the date that possession of the Premises or part thereof be taken. A sale by Landlord to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes of this Paragraph.

B. Partial Taking. If any part of the Premises or the Building is taken and the remaining part is reasonably suitable for Tenant's continued occupancy for the purposes and uses permitted by this Lease, this Lease shall, as to the part so taken, terminate as of the date that possession of such part of the Premises or Building is taken. If the Premises is so partially taken the Rent and other sums payable hereunder shall be reduced in the same proportion that Tenant's use and occupancy is reduced.

C. No Apportionment of Award. No award for any partial or entire taking shall be apportioned. Tenant assigns to Landlord its interest in any award which may be made in such taking or condemnation, together with any and all rights of Tenant arising in or to the same or any part thereof. Nothing contained herein shall be deemed to give Landlord any interest in or require Tenant to assign to Landlord any separate award made to Tenant for the taking of Tenant's Personal Property, for the interruption to Tenant's business, or its moving costs, or for the loss of its good will.

D. Temporary Taking. No temporary taking of the Premises shall terminate this Lease or give Tenant any right to any abatement of Rent. Any award made to Tenant by reason of such temporary taking shall belong entirely to Tenant and Landlord shall not be entitled to share therein. Each party agrees to execute and deliver to the other all instruments that may be required to effectuate the provisions of this Paragraph.

27. Assignment and Subletting.

A. Landlord's Consent. Except as permitted by Paragraph 27.I hereof, Tenant shall not enter into a Sublet without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Except as permitted by Paragraph 27.I, any attempted or purported Sublet without Landlord's prior written consent shall be void and confer no rights upon any third person and, at Landlord's election, shall terminate this Lease. Each Subtenant shall agree in writing, for the benefit of Landlord, to assume, to be bound by, and to perform and observe the terms, covenants and conditions of this Lease (with the exception of Monthly Rent) to be performed and observed by Tenant. Every Sublet shall recite that it is and shall be subject and subordinate to the provisions of this Lease, and that the termination of this Lease shall constitute a termination (at the option of the Landlord) of every such Sublet. Notwithstanding anything contained herein, (i) Tenant shall not be released from personal liability for the performance of any of the terms, covenants and conditions of this Lease by reason of Landlord's consent to a Sublet unless Landlord specifically grants such release in writing (it being agreed that Landlord has no obligation to do so), and (ii) the parties agree that it shall be reasonable for Landlord to withhold its consent to any proposed Sublet when the proposed Subtenant is an occupant of the Property or is a third party which is already involved in negotiations with Landlord to lease space in the Project. Without limiting the generality of Landlord's discretion in determining whether it is reasonable to withhold consent for any requested Sublet, it shall be deemed reasonable for Landlord to withhold such consent if the proposed Subtenant would use the Premises for any use other than for general office purposes.

B. Information to be Furnished. If Tenant desires at any time to Sublet the Premises or any portion thereof, it shall first notify Landlord of its desire to do so and shall submit in writing to Landlord: (i) the name of the proposed Subtenant; (ii) the nature of the proposed Subtenant's business to be carried on in the Premises; (iii) the terms and provisions of the proposed Sublet and a copy of the proposed Sublet form containing a description of the subject premises; and (iv) such financial information, including financial statements, as Landlord may reasonably request concerning the proposed Subtenant. If Tenant requests Landlord's consent to a proposed Sublet, Tenant shall pay to Landlord, whether or not consent is ultimately given, Landlord's reasonable attorneys' fees incurred in connection with such request up to a maximum of $1,500.00.

C. Landlord's Alternatives. Except in the case of a Sublet permitted by Paragraph 27.I, at any time within ten (10) business days after Landlord's receipt of all the information specified in Paragraph 27.B., Landlord may, by written notice to Tenant, elect: (i) to lease for its own account the portion thereof of the Premises so proposed to be Sublet by Tenant, upon the same terms as those offered to the proposed subtenant but on a form acceptable to Landlord; (ii) to terminate this Lease as it relates to the portion of the Premises so proposed to be Sublet by Tenant as of the later of (x) the proposed effective date of such Sublet or (y) thirty (30) days after the date Landlord is in receipt of the information specified in Paragraph 27.B.; (iii) to consent to the Sublet by Tenant; or (iv) to refuse its consent to the Sublet. Landlord's failure to deliver such notice of election within such 10-business day period shall be deemed Landlord's consent to such Sublet.

If Landlord consents to the Sublet, Tenant may thereafter enter a valid Sublet of the Premises or portion thereof, upon the terms and conditions and with the proposed Subtenant set forth in the information furnished by Tenant to Landlord pursuant to Paragraph 27.B. provided, however, that fifty percent (50%) of any excess of (I) the Subrent over (II) (A) the Monthly Rent required to be paid by Tenant hereunder, (B) Tenant's reasonable attorneys' fees and brokerage commissions, in each case, with the total of such amounts under this clause (B) applied on an amortized basis over the term of the Sublet, and (C) and any then unamortized value of the applicable Tenant Improvements, to the extent not reimbursed out of the TI Allowance, applied on an amortized basis over the remainder of the Term, shall be paid to Landlord as and when received by Tenant. As used immediately above, the term "applicable Tenant Improvements" means the Tenant Improvements allocable to the space that is subject to the applicable Sublet, based upon rentable square footage.

D. Proration. If a portion of the Premises is Sublet, the pro rata share of the Monthly Rent attributable to such partial area of the Premises shall be determined by Landlord by dividing the Monthly Rent payable by Tenant hereunder by the total rentable square footage of the Premises and multiplying the resulting quotient (the per rentable square foot rent) by the number of rentable square feet of the Premises which are Sublet.

E. Executed Counterpart. No Sublet shall be valid nor shall any Subtenant take possession of the Premises until an executed counterpart of the Sublet agreement has been delivered to Landlord.

F. Surrender of Lease. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing Sublets, or may, at the option of Landlord, operate as an assignment to it of any or all such Sublets.

G. No Mortgages. Tenant shall not pledge, hypothecate or encumber this Lease or Tenant's interest herein or in the Premises in any manner, including without limitation, by means of any mortgage, deed of trust, security interest or assignment for security purposes, and any such attempted pledge, hypothecation or encumbrance shall be void and constitute a Default under this Lease.

H. Effect of Default. Notwithstanding any provision of this Paragraph 27 to the contrary, in the event of the occurrence of any uncured Default by Tenant in the performance of any term or condition of this Lease, any right of Tenant at such time to seek to Sublet this Lease pursuant to this Paragraph 27 and any obligations of Landlord to review any proposed Sublet or exercise its rights under Paragraph 27.C. above shall be suspended, and any applicable period for review or action by Landlord shall be tolled, until such Default is fully cured of no force or effect.

I. Permitted Transfers. Notwithstanding anything to the contrary contained in this Lease, Tenant, without Landlord's prior written consent, may sublet the Premises or assign this Lease to: (i) a subsidiary, affiliate, division or entity controlling, controlled by or under common control with Tenant; (ii) a successor entity related to Tenant by merger, acquisition, consolidation, nonbankruptcy reorganization or government action; or (iii) a purchaser of substantially all of Tenant's assets (collectively "Permitted Transferees"); provided Tenant enters into such a transaction in good faith and not for the purpose of indirectly entering into a Sublet of this Lease with a person or entity other than a Permitted Transferee through a step transaction or otherwise. Tenant shall not be required to obtain Landlord's consent thereof, nor shall provisions of Paragraph 27.C. hereof apply; in no event shall such assignment or sublease release Tenant from any liability for the performance of the obligations under this Lease, unless Landlord shall have released Tenant In writing (it being agreed that Landlord has not obligation to do so). Further, the requirements contained in the third and fourth sentences of Paragraph 27.A. shall apply to all such transfer.

28. Sale Lease-Back. Tenant acknowledges that Landlord may, at some time in the future, finance the Property by means of a sale and lease back transaction ("Sale Lease-Back Transaction") in which Landlord would transfer its interest in the Project to a financing party, as buyer, and in which such buyer would lease the Project back to Landlord. Tenant agrees that, in the event of any such Sale Lease-Back Transaction, this Lease shall automatically become subordinate to the leasehold interest created by the lease between such buyer and Landlord (the "Master Lease"). In such event, this Lease shall thereafter be a sublease below the Master Lease. Notwithstanding the automatic effect of such subordination, Tenant agrees to execute any documentation reasonably required by such buying party to evidence such subordination. Notwithstanding the foregoing, any such subordination of this Lease shall be subject to the requirement that such buying entity shall have agreed, in form reasonably acceptable to Tenant, that in the event of any termination of the Master Lease because of the Default of Landlord thereunder or because of the consensual agreement of Landlord and such buying party, this Lease shall automatically become a direct lease between such buying party, as landlord, and Tenant, as tenant.

29. Default.

A. Tenant's Default. A default under this Lease by Tenant shall exist if any of the following events shall occur (as applicable, a "Default"):

(i) If Tenant fails to pay Rent or any other sum required to be paid hereunder within five (5) days after the date of Tenant's receipt of written notice from Landlord that such amount was not received when due; or

(ii) If Tenant fails to perform any term, covenant or condition of this Lease except those requiring the payment of money, and Tenant shall have failed to cure such breach within twenty (20) days after written notice from Landlord; provided, however, that if such failure by its nature cannot reasonably be cured within the twenty (20) day period, then Tenant shall not be in Default if Tenant promptly commences the performance of such cure within the twenty (20) day period and diligently thereafter prosecutes the same to completion; or

(iii) If Tenant shall have abandoned the Premise; or

(iv) In the event of a general assignment by Tenant for the benefit of creditors; the filing of any voluntary petition in bankruptcy by Tenant or the filing of an involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for thirty (30) days; the employment of a receiver to take possession of substantially all of Tenant's assets or any part of the Premises, if such receivership remains undissolved for thirty (30) days after creation thereof; the attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or any part of the Premises, if such attachment or other seizure remains undismissed or undischarged for thirty (30) days after the levy thereof; the admission by Tenant in writing of its inability to pay its debts as they become due; the filing by Tenant of a petition seeking any reorganization or arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation; the filing by Tenant of an answer admitting or failing timely to contest a material allegation of a petition filed against Tenant in any such proceeding; or, if within thirty (30) days after the commencement of any proceeding against Tenant seeking any reorganization or arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed; or

(v) The occurrence of any other event specifically stated to be a Default under the provisions of this Lease.

B. Remedies. Upon a Default, Landlord shall have the following remedies, in addition to all other rights and remedies provided by law or otherwise provided in this Lease, to which Landlord may resort cumulatively or in the alternative:

(i) Landlord may continue this Lease in full force and effect, and this Lease shall continue in full force and effect as long as Landlord does not terminate this Lease, and Landlord shall have the right to collect Rent when due. During the period Tenant is in Default, Landlord may enter the Premises and relet it, or any part of it, to third parties for Tenant's account, provided that any Rent in excess of the Monthly Rent due hereunder shall be payable to Landlord. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the Premises or any part thereof, including, without limitation, broker's commissions, expenses of cleaning and redecorating the Premises required by the reletting and like costs. Reletting may be for a period shorter or longer than the remaining Term of this Lease. Except as set forth in Paragraph 29.C., no act by Landlord other than giving written notice to Tenant shall terminate this Lease.

(ii) Landlord may by written notice terminate Tenant's right to possession of the Premises at any time and relet the Premises or any part thereof. Acts of maintenance, efforts to relet the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to remove all Tenant's Personal Property and store same at Tenant's cost and to recover from Tenant:

(a) the worth at the time of award of the unpaid Rent which had been earned at the time of termination including interest at the Interest Rate;

(b) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided, including interest at the Interest Rate;

(c) the worth at the time of award of the amount by which unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided, discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%);

(d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease, including without limitation the following: (i) all expenses for repairing or restoring the Premises, (ii) all brokers' fees, advertising costs and other expenses of repairing or restoring the Premises, (iii) all expenses in retaking possession of the Premises, and (iv) reasonable attorneys' fees, expert witness fees and court costs; and

(e) as used in subparagraphs (a) through (c) above, the term "time of award" shall mean the date of entry of a judgment or award against Tenant in an action or proceeding arising out of Tenant's breach of this Lease.

Tenant waives redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other present or future law, in the event Tenant is evicted or Landlord takes possession of the Premises by reason of any Default of Tenant hereunder.

(iii) Landlord may, with or without terminating this Lease, re-enter the Premises and remove all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. No re-entry or taking possession of the Premises by Landlord pursuant to this Paragraph shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant.

C. Landlord's Default. Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation within twenty (20) days after receipt of written notice by Tenant to Landlord specifying the nature of such default; provided, however, that if the nature of Landlord's obligation is such that more than twenty (20) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such twenty (20) day period and thereafter diligently prosecute the same to completion. In the case of any uncured default by Landlord, Tenant shall have the following remedies, in addition to all other rights and remedies provided by law or otherwise provided in this Lease, to which Tenant may resort cumulatively or in the alternative:

i. If Tenant is not in Default, Tenant may continue this Lease in full force and effect, provided that in such case Tenant shall be entitled to recover from Landlord any reasonable cost incurred by Tenant that is in excess of the amount of the Rent which would have been incurred by Tenant had no uncured breach by Landlord occurred, including interest at the Interest Rate.

ii. In the case of any default under this Lease (whether by Landlord or Tenant) each party shall make best efforts to mitigate any losses or damages arising therefrom.

iii. In the case of expiration or early termination of this Lease, those provisions of this Lease which expressly continue in operation after termination or expiration shall continue in full force and effect according to their terms.

30. **Subordination.** This Lease is and shall automatically be subject and subordinate to all mortgages and deeds of trust (collectively, "Encumbrance") which may now or hereafter affect the Premises, to the CC&R's and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, (i) if the holder or holders of any such Encumbrance ("Holder") shall require that this Lease be prior and superior thereto, then upon written notice from Holder to Tenant this Lease shall be automatically prior and superior to the lien of such Encumbrance without regard to the sequence of recordation, and (ii) such subordination is subject to the requirement that such Holder agree not to disturb Tenant's rights under this Lease, so long as Tenant is not in Default under the provisions of this Lease; Within ten (10) days after Landlord or Holder's written request, Tenant shall execute any and all documents requested by Landlord or Holder to further effectuate and evidence such subordination of this Lease to any lien of the Encumbrance or to evidence the Holder's election that this Lease be prior and senior to the Encumbrance. Notwithstanding anything to the contrary set forth in this Paragraph, Tenant hereby attorns and agrees to attorn to the Holder and any person purchasing or otherwise acquiring the Premises at any sale or other proceeding or pursuant to the exercise of any other rights, powers or remedies under such Encumbrance, which obligation to attorn shall survive any foreclosure of any Encumbrance; and Tenant agrees within ten (10) days after request of Holder or any such other person to execute an attornment agreement recognizing Holder or such other person as Landlord under this Lease and acknowledging that this Lease is and shall remain in full force and effect and binding upon Tenant notwithstanding any foreclosure of such Encumbrance. Tenant acknowledges that, as of the date of this Lease, the Property is subject to the lien of a deed of trust for the benefit of Wells Fargo Bank, National Association ("Wells").

31. Notices. Every notice to be given by any party to any other party with respect hereto, shall be in writing and shall not be effective for any purpose unless the same shall be delivered to the addressee personally, by a reputable express delivery service, a recognized overnight air courier service, or United States certified mail, return receipt requested, addressed to the respective parties at the addresses set forth in section C.11. of the Information Sheet, or to such other address as either party may from time to time designate by notice to the other given in accordance with this Paragraph. All notices shall be effective (i) when delivered locally by hand or by a reputable express delivery service (ii) one business day after deposit with a recognized overnight air courier service or (iii) five business days after having been sent by certified mail, return receipt requested.

32. Attorneys' Fees. In the event Landlord engages an attorney to pursue the recovery of any Rent owed by Tenant hereunder (whether or not any action or legal proceeding is ultimately filed) or if either party brings any action or legal proceeding for damages for an alleged breach of any provision of this Lease, to recover Rent or other sums due, to terminate the tenancy of the Premises or to enforce, protect or establish any term, condition or covenant of this Lease or right of either party, the prevailing party shall be entitled to recover as a part of such action or proceedings, or in a separate action brought for that purpose, reasonable attorneys' fees and costs, including expert witness fees (and without regard to whether or not such action or proceedings are pursued to judgment).

33. Estoppel Certificates. Tenant shall within ten (10) business days following written request by Landlord:

(i) Execute and deliver to Landlord any documents whose content Tenant agrees is true and correct, including estoppel certificates, in the form prepared by Landlord (a) certifying the date of commencement of this Lease, (b) certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect, (c) stating the dates to which Rent and any other amounts payable hereunder have been paid and the amount of any unforfeited security deposit then held by Landlord, (d) certifying that no Defaults exist as of such date, or, if there are any Defaults, stating the nature of such Defaults, (e) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord, or, if there are uncured defaults on the part of the Landlord, stating the nature of such uncured defaults, (f) acknowledging that Tenant does not have any claim or right of offset against Landlord (or if Tenant does have any such claim or right of offset, the nature of such claim or right of offset), and (g) setting forth such other matters as may reasonably be requested by Landlord. Tenant's failure to deliver an estoppel certificate in the form provided or as modified by Tenant to correct any errors or inaccuracies within ten (10) business days after delivery of Landlord's written request therefor shall be conclusive upon Tenant (a) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (b) that there are now no uncured defaults in Landlord's performance, (c) that no Rent has been paid in advance and no security deposit is held by Landlord, (d) that Tenant has no claims or rights of offset against Landlord, (e) that no Defaults then exist, and (f) that such other matters as were set forth in such estoppel certificate as prepared by Landlord are true and correct; provided further, that such failure shall constitute a breach of this Lease and Landlord's remedies shall be as specified in Section 29.B.

(ii) Deliver to Landlord or direct Landlord to where it may obtain the current financial statements of Tenant, and financial statements of the two (2) years prior to the current financial statements year, with an opinion of a certified public accountant, including a balance sheet and profit and loss statement for the most recent prior year, all prepared in accordance with generally accepted accounting principles consistently applied. To the extent such statements have not previously been made public by Tenant, Landlord agrees to maintain any such statements in confidence other than to disclose them to the applicable lender or potential buyer who has requested them, or as may be required by law.

34. Transfer of the Project by Landlord. In the event of any conveyance of the Project or the Building and assignment by Landlord of this Lease, Landlord shall be and is hereby entirely released from all liability under any and all of its covenants and obligations contained in or derived from this Lease occurring or accruing after the date of the conveyance and assignment, and Tenant agrees to attorn to such transferee, except in the event of a Sale Lease-Back Transaction, in which event this Lease will remain in full force and effect as a sublease between Landlord and Tenant as contemplated in Paragraph 28.

35. Landlord's Right to Perform Tenant's Covenants. If Tenant fails to make any payment or perform any other act on its part to be made or performed under this Lease, Landlord after fifteen (15) days' written notice may, but shall not be obligated to, and without waiving or releasing Tenant from any obligation of Tenant under this Lease, make such payment or perform such other act to the extent Landlord may deem desirable, and in connection therewith, pay expenses and employ counsel. All sums so paid by Landlord and all penalties, interest and costs in connection therewith shall be due and payable by Tenant on the next business day after Landlord's delivery to Tenant of written notice of any such payment by Landlord, together with interest thereon at the Interest Rate from such date to the date of payment by Tenant to Landlord, plus collection costs and reasonable attorneys' fees. Landlord shall have the same rights and remedies for the nonpayment thereof as in the case of Default in the payment of Rent.

36. Tenant's Remedy. The obligations of Landlord or Landlord's Agents under this Lease do not and shall not constitute personal obligations of Landlord or Landlord's Agents , and Tenant agrees that it shall look solely to the real estate that is the subject of this Lease and any related insurance, and to no other assets of Landlord or Landlord's Agents, for satisfaction of any liability that may now or hereafter arise in respect of this Lease and will not seek recourse against Landlord or Landlord's Agents or any of their personal assets of Landlord or Landlord's Agents for satisfaction of any liability that may now or hereafter arise in respect of this Lease.

37. Mortgagee Protection. If Landlord defaults under this Lease, Tenant shall, if earlier requested by Landlord or any lender with respect to the Project, notify by registered or certified mail to any beneficiary of a deed of trust or mortgagee of a mortgage covering the Premises and offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial foreclosure, if such should prove necessary to effect a cure.

38. Brokers. Tenant warrants and represents that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, except for the broker(s) specified in section C.10. of the Information Sheet, and that it knows of no real estate broker or agent who is or might be entitled to a commission in connection with this Lease. Landlord shall pay any commission or other compensation owing to such specified broker(s) in section C.10. pursuant to their separate written agreement. Tenant agrees to defend, indemnify and hold Landlord and its Agents free and harmless from and against any and all liabilities or expenses, including reasonable attorneys' fees and costs, arising out of or in connection with claims made by any broker or individual not specified in section C.10. of the Information Sheet for commissions or fees resulting from Tenant's dealings with such other broker or individual.

39. Acceptance. Delivery of this Lease, duly executed by Tenant, constitutes an offer to lease the Premises, and under no circumstances shall such delivery be deemed to create an option or reservation to lease the Premises for the benefit of Tenant. This Lease shall only become effective and binding upon full execution hereof by Landlord and delivery of a signed copy to Tenant.

40. Recording. Neither party shall record this Lease nor a short form memorandum thereof.

41. Modifications for Lender. If, in connection with obtaining financing for the Project, or any portion thereof, Landlord's lender shall request reasonable modifications to this Lease as a condition to such financing, Tenant shall not unreasonably withhold, delay or defer its consent thereto, provided such modifications do not materially adversely affect Tenant's rights hereunder.

42. Parking. Tenant shall have the right to park at no cost in the Project's parking facilities in common with Landlord's employees and the other tenants of the Building (except for those parking spaces that have been reserved for Landlord, other tenants of the Project, handicapped parking and certain parking spaces designated for Landlord's company vehicles and contractor vehicles) upon terms and conditions, as may from time to time be reasonably established by Landlord but in any case free of charge and in accordance with any parking control or monitoring devices from time to time installed or implemented by Landlord. Tenant shall not overburden the parking facilities and shall not use more than three (3) non-reserved, non-designated parking space per one thousand (1,000) rentable square feet of the Premises. Tenant also agrees to cooperate with Landlord and other tenants in the use of the parking facilities. Landlord reserves the right, in its discretion, to allocate and assign parking spaces among Tenant and the other tenants or to restrict the use of certain parking spaces for certain tenants and to install or otherwise implement parking control or monitoring devices for the parking facilities. Tenant shall establish and maintain during the Term hereof a program to encourage maximum use of public transportation by personnel of Tenant employed on the Premises, including without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Building, staggering working hours of employees, and encouraging use of such facilities, all at Tenant's sole reasonable cost and expense. Tenant agrees to comply with any lawful regulation or ordinance of the City of Menlo Park or the County of San Mateo respecting transportation management in those jurisdictions, related to the conduct of Tenant's business within the Premises.

43. Use of Property Name Prohibited. Tenant shall not employ the term "149 Commonwealth Drive" in the name or title of its business or occupation without Landlord's prior written consent.

44. Interest. Any Rent or other amount not paid by Tenant to Landlord when due hereunder shall bear interest at the lesser of (i) the rate of twelve percent (12%) per annum or (ii) the maximum rate permitted by applicable law (with such rate of interest sometimes referred to herein as the "Interest Rate") from the date due until paid.

45. Quitclaim. Upon any termination of this Lease, Tenant, at Landlord's request, shall execute, have acknowledged and deliver to Landlord a quitclaim deed for all Tenant's interest in the Project.

46. Security.

A. Landlord Reservations. Landlord shall have the following rights:

(i) To change the name, address or title of the Project or Building upon not less than ninety (90) days prior written notice;

(ii) To, at Tenant's expense, provide and install Building standard graphics on the door of the Premises and such portions of the Outside Area as Landlord shall reasonably deem appropriate;

(iii) To permit any tenant the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given to Tenant herein;

(iv) To place such signs, notices or displays as Landlord reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on pole signs in the Outside Area.

B. Tenant Prohibitions. Tenant shall not:

(i) Use a representation (photographic or otherwise) of the Building or the Project or their name(s) in connection with Tenant's business; or

(ii) suffer or permit anyone to go upon the roof of the Building.

C. Security Regulations.

(i) **Security Access Badges.** One active badge, and only one, will be issued to each employee, agent, consultant, contractor, or vendor, over the age of sixteen (16), of Tenant at any given time. All lost or stolen badges must be reported immediately (and, in any event, prior to 5:00 p.m., Pacific Time, on the day lost or stolen) to Landlord to be canceled by Landlord's Security Administrator. Tenant shall inform Landlord immediately (and, in any event, prior to 5:00 p.m., Pacific Time, on the day of such termination) upon Tenant's termination of any employee of Tenant, so that Landlord may cause such employee's badge to be canceled by Landlord's Security Administrator.

(ii) **Security Guard Tours.** Periodic, routine tours of the space occupied by Tenant will be conducted by Landlord's Security Guard Contractor from 4:30 p.m. to 8:30 a.m. during normal work days and 24 hours a day on Saturdays, Sundays and holidays observed by Landlord. The purpose of these tours will be to observe and address abnormal conditions such as, but not limited to: (a) unlocked exterior and interior doors, (b) extreme temperature conditions, (c) unattended coffee pots and appliances in the 'on' position, and (d) unbadged persons on the premises,

(iii) **Emergency Contact List.** Tenant agrees to provide a current "emergency contact list" for Landlord's Security Department in the event of an emergency in the space occupied by Tenant.

(iv) **Miscellaneous Security.** Tenant agrees to assist Landlord in maintaining security for the entire Project. This includes but is not limited to: (a) ensuring that all employees, consultants, contractors, vendors, and agents are appropriately badged and/or escorted, (b) returning badges of terminated employees to Landlord's Security Administrator to be deleted from the security badge system, (c) notifying Landlord's Security Administrator immediately of lost or missing badges, (d) ensuring that security access badges are only used by those authorized persons to whom they are issued and that badges are not loaned to anyone under any circumstances, and (e) instructing all Tenant's Agents to maintain in confidence any sensitive information overheard from any employees or representatives of Landlord or any other tenant in the Building while in the Outside Area. Tenant acknowledges and agrees that the security services provided herein are not a guaranty against criminal activity and that Landlord assumes no liability in the event of any breach of such security measures.

(v) **Costs of Services**. All costs of services provided by Landlord under this Paragraph 46 shall be included in Operating Expenses under Paragraph 15.B.

47. Right of First Offer.

Provided that the Tenant is not in Default, Tenant shall have the Right of First Offer on additional marketable space ("**Expansion Premises**") within the building ("**Right of First Offer**") as it becomes available. Landlord shall provide Tenant with written notice of intention to market, including the economic terms, ("**Notice of Intent to Market**"). Tenant shall have twenty (20) business days from receipt of written notice by Landlord to negotiate the economics for the Expansion Premises. Except for the economics, all other terms and conditions for the Expansion Premises shall be consistent with those applicable to the Premises. If Tenant does not deliver to Landlord Tenant's Acceptance Notice within the applicable 20-business day period, Landlord shall have the right to market and lease such Expansion Premises to any person(s) other than Tenant on any terms Landlord desires and without offering or further offering such Expansion Premises to Tenant, and Tenant shall have no further right of first offer to lease such Expansion Premises pursuant to this Paragraph 47. Any Expansion Premises leased by Tenant will be added to the Premises as of the date provided in the offer, and the Rent will be adjusted to reflect the rent to be paid with respect to Expansion Premises in accordance with the offer. Tenant agrees to execute amendments to this Lease to reflect additions to the Premises resulting from the exercise of the Right of First Offer. Tenant's lease of any Expansion Premises pursuant to this Right of First Offer will be on all the terms and conditions set forth in this Lease, with the exception of the economics, which shall be set as described above. This Right of First Offer to lease the Expansion Premises is personal to Tenant or any Permitted Transferee, and is not transferable. Notwithstanding the foregoing, Tenant shall not have the Right of First Offer under this Paragraph 47 if Tenant is in Default under this Lease at the time such Expansion Premises becomes available (and Landlord shall have no obligation to deliver to Tenant any Landlord's Notice). In addition to the Right of First Offer, Tenant shall have the option to expand into contiguous space or relocate to another suite if space becomes available. Terms will be negotiated at the time of such expansion or relocation.

48. Ownership of Furniture and Fixtures.

All furniture, cubicles, telephones and other items supplied to Tenant by Landlord during the term of this Lease shall remain the property of the Landlord at the end of the Lease and shall be returned in good condition, normal wear and tear excepted.

Certain furniture in that portion of the Premises currently occupied by Tenant under the 2007 Lease (the "Existing Space") is owned by Landlord. For the duration of Tenant's occupancy in the Premises, Tenant shall have the right to continue to utilize furniture owned by Landlord in the Existing Space at no additional cost.

If surplus furniture is available and left in that portion of the Premises other than the Existing Space, Landlord will make such furniture available to Tenant at no additional cost during the Term of the Lease. Said furniture shall remain the property of the Landlord. Within sixty (60) days after the Commencement Date, Tenant will notify Landlord in writing of any furniture, fixtures or equipment in the Premises that it does not wish to use, and Landlord will be responsible for promptly removing such furniture, fixtures and equipment, at Landlord's expense. If Tenant elects to do so, a furniture inventory and condition report will be written and signed by Tenant and Landlord promptly after the Commencement Date.

49. General.

A. **Captions.** The captions and headings used in this Lease are for the purpose of convenience only and shall not be construed to limit or extend the meaning of any part of this Lease.

B. **Executed Copy.** Any fully executed copy of this Lease shall be deemed an original for all purposes.

C. Time. Time is of the essence for the performance and observance of each term, covenant and condition of this Lease.

D. **Severability.** If one or more of the provisions contained herein, except for the payment of Rent, is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

E. Choice of Law. This Lease shall be construed and enforced in accordance with the laws of the State of California. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

F. Interpretation. When the context of this Lease requires, the neuter gender includes the masculine, the feminine, a partnership or corporation or joint venture, and the singular includes the plural. The term "including" shall be deemed to mean "including, but not by way of limitation" and the term "or" has the inclusive meaning represented by the term "and/or."

G. No Effect of Remeasurement. The statements of rentable square footage set forth in this Lease are for the convenience of the parties, and no adjustment shall be made to rental amounts, load factors or Tenant's Building Percentage if such square footage is later shown to be inaccurate.

H. Binding Effect. The covenants and agreement contained in this Lease shall be binding on the parties hereto and on their respective successors and assigns to the extent this Lease is assignable.

I. Waiver. The waiver by either party of any breach of any term, covenant or condition of this Lease shall not be deemed to be a waiver of such provision or any subsequent breach of the same or any other term, covenant or condition of this Lease. The acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach at the time of acceptance of such payment. No term, covenant or condition of this Lease shall be deemed to have been waived by either party unless the waiver is in writing signed by the non-breaching party, as applicable.

J. Entire Agreement. This Lease, including the Information Sheet, is the entire agreement between the parties, and there are no agreements or representations between the parties except as expressed herein. Except as otherwise provided herein, no subsequent change or addition to this Lease shall be binding unless in writing and signed by the parties hereto.

K. Authority. If Tenant is an entity, each individual executing this Lease on behalf of such entity, represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of the entity in accordance with its governing documents, and that this Lease is binding upon the entity in accordance with its terms. Landlord, at its option, may require a copy of such written authorization to enter this Lease. The failure of Tenant to deliver the same to Landlord within fifteen (15) days of Landlord's request therefor shall be deemed a Default under this Lease.

L. Exhibits. All exhibits, amendments, riders and addenda attached hereto are hereby incorporated herein and made a part hereof.

M. Counterparts. This Lease may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one (1) instrument.

N. Force Majeure. Neither party shall be held liable to the other party nor be deemed to have defaulted under or breached this Lease for failure or delay in

O. performing any obligation under this Lease to the extent that such failure or delay is caused by or results from causes beyond the reasonable control of the affected party, potentially including, but not limited to, embargoes, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, fire, floods, or other acts of God, or acts, omissions or delays in acting by any governmental authority or the other party. The affected Party shall notify the other party of such force majeure circumstances as soon as reasonably practical, and shall promptly undertake all reasonable efforts necessary to cure such force majeure circumstances.

THIS LEASE, executed as of the date(s) set forth below, is effective as of the Effective Date set forth in section B of the Information Sheet.

Dated February 29, 2012

TENANT:

GERON CORPORATION, a Delaware corporation

By: /s/ John A. Scarlett

Its: President and CEO

Dated February 29, 2012

LANDLORD:

EXPONENT REALTY, LLC,
a Delaware limited liability company

By: Exponent, Inc., a Delaware corporation,
sole member and manager

By: /s/ Richard Schlenker
Richard L. Schlenker
Chief Financial Officer

EXHIBIT 21.1

LIST OF SUBSIDIARIES

Wholly-Owned

Geron Bio-Med, Ltd., a company organized under the laws of the United Kingdom

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

1) Registration Statement (Form S-3 No. 333-171611) and in the related prospectuses and prospectus supplements;
2) Registration Statement (Form S-3 No. 333-168974) and in the related prospectuses and prospectus supplements;
3) Registration Statement (Form S-3 No. 333-164246) and in the related prospectuses and prospectus supplements;
4) Registration Statement (Form S-3 No. 333-160498) and in the related prospectuses and prospectus supplements;
5) Registration Statement (Form S-3 No. 333-159288) and in the related prospectuses and prospectus supplements;
6) Registration Statement (Form S-3 No. 333-147018) and in the related prospectuses and prospectus supplements;
7) Registration Statement (Form S-8 No. 333-174350) pertaining to the 2011 Incentive Award Plan, the 2002 Equity Incentive Plan, the 1996 Directors' Stock Option Plan and the 1992 Stock Option Plan;
8) Registration Statement (Form S-8 No. 333-167349) pertaining to the 2002 Equity Incentive Plan;
9) Registration Statement (Form S-8 No. 333-161035) pertaining to the 2002 Equity Incentive Plan and the 1996 Employee Stock Purchase Plan;
10) Registration Statement (Form S-8 No. 333-152725) pertaining to the 2002 Equity Incentive Plan;
11) Registration Statement (Form S-8 No. 333-145042) pertaining to the 2002 Equity Incentive Plan;
12) Registration Statement (Form S-8 No. 333-136330) pertaining to the 2002 Equity Incentive Plan and the 2006 Directors' Stock Option Plan;
13) Registration Statement (Form S-8 No. 333-107276) pertaining to the 1996 Directors' Stock Option Plan and the 1996 Employee Stock Purchase Plan; and
14) Registration Statement (Form S-8 No. 333-70414) pertaining to the 1992 Stock Option Plan;

of Geron Corporation of our reports dated March 7, 2012, with respect to the consolidated financial statements of Geron Corporation and the effectiveness of internal control over financial reporting of Geron Corporation, included in this Annual Report (Form 10-K) of Geron Corporation for the year ended December 31, 2011.

/s/ Ernst & Young LLP

Redwood City, California
March 7, 2012

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
FORM OF RULE 13A-14(A)
AS ADOPTED PURSUANT TO
SECTION 302(A) OF THE SARBANES-OXLEY ACT OF 2002

I, John A. Scarlett, M.D., President and Chief Executive Officer of Geron Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of Geron Corporation;

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

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

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

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

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

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

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

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

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

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

Date: March 7, 2012

/s/ JOHN A. SCARLETT

JOHN A. SCARLETT, M.D.
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
FORM OF RULE 13A-14(A)
AS ADOPTED PURSUANT TO
SECTION 302(A) OF THE SARBANES-OXLEY ACT OF 2002

I, Graham K. Cooper, Executive Vice President, Finance and Business Development, and Chief Financial Officer of Geron Corporation, certify that:

1. I have reviewed this annual report on Form 10-K of Geron Corporation;

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

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

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

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

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

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

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

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

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

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

Date: March 7, 2012

/s/ GRAHAM K. COOPER

GRAHAM K. COOPER
Executive Vice President, Finance and Business Development, and Chief Financial Officer

EXHIBIT 32.1

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

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Geron Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying annual report on Form 10-K of the Company for the year ended December 31, 2011 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Dated: March 7, 2012

/s/ JOHN A. SCARLETT

JOHN A. SCARLETT, M.D.
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Geron Corporation and will be retained by Geron Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

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

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Geron Corporation (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying annual report on Form 10-K of the Company for the year ended December 31, 2011 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

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

Dated: March 7, 2012

/S/ GRAHAM K. COOPER

GRAHAM K. COOPER
Executive Vice President, Finance and Business Development, and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Geron Corporation and will be retained by Geron Corporation and furnished to the Securities and Exchange Commission or its staff upon request.


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