

**UNITED STATES SECURITIES AND EXCHANGE
COMMISSION**

Washington, D.C. 20549

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF
SECURITIES**

OMB APPROVAL

OMB Number: 3235-0104

Estimated average burden

hours per response: 0.5

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Pennell Sandra</u> (Last) (First) (Middle) <u>C/O VERICEL CORPORATION</u> <u>64 SIDNEY STREET</u> (Street) <u>CAMBRIDGE MA 02139</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>09/30/2020</u>	3. Issuer Name and Ticker or Trading Symbol <u>Vericel Corp [VCEL]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP and Corporate Controller</u>	5. If Amendment, Date of Original Filed (Month/Day/Year)
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>Common Stock</u>	<u>3,440</u>	<u>D</u>	

**Table II - Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<u>Stock Option (right to buy)</u>	<u>06/17/2017⁽¹⁾</u>	<u>05/22/2027</u>	<u>Common Stock</u>	<u>3,300</u>	<u>2.65</u>	<u>D</u>	
<u>Stock Option (right to buy)</u>	<u>06/20/2019⁽²⁾</u>	<u>03/20/2029</u>	<u>Common Stock</u>	<u>10,822</u>	<u>18.51</u>	<u>D</u>	
<u>Stock Option (right to buy)</u>	<u>06/20/2019⁽²⁾</u>	<u>03/20/2029</u>	<u>Common Stock</u>	<u>9,178</u>	<u>18.51</u>	<u>D</u>	
<u>Stock Option (right to buy)</u>	<u>06/21/2018⁽³⁾</u>	<u>03/21/2028</u>	<u>Common Stock</u>	<u>21,000</u>	<u>11.1</u>	<u>D</u>	
<u>Stock Option (right to buy)</u>	<u>06/18/2020⁽⁴⁾</u>	<u>03/18/2030</u>	<u>Common Stock</u>	<u>10,312</u>	<u>7.25</u>	<u>D</u>	
<u>Stock Option (right to buy)</u>	<u>06/18/2020⁽⁴⁾</u>	<u>03/18/2030</u>	<u>Common Stock</u>	<u>4,688</u>	<u>7.25</u>	<u>D</u>	
<u>Stock Option (right to buy)</u>	<u>06/18/2016⁽⁵⁾</u>	<u>03/18/2026</u>	<u>Common Stock</u>	<u>7,900</u>	<u>4.61</u>	<u>D</u>	
<u>Stock Option (right to buy)</u>	<u>06/17/2017⁽¹⁾</u>	<u>03/17/2027</u>	<u>Common Stock</u>	<u>7,700</u>	<u>2.9</u>	<u>D</u>	
<u>Stock Option (right to buy)</u>	<u>02/11/2016⁽⁶⁾</u>	<u>02/11/2025</u>	<u>Common Stock</u>	<u>20,000</u>	<u>3.63</u>	<u>D</u>	
<u>Restricted Stock Unit</u>	<u>(8)</u>	<u>(9)</u>	<u>Common Stock</u>	<u>1,500</u>	<u>(7)</u>	<u>D</u>	
<u>Restricted Stock Unit</u>	<u>(10)</u>	<u>(9)</u>	<u>Common Stock</u>	<u>2,000</u>	<u>(7)</u>	<u>D</u>	

Explanation of Responses:

- These options began vesting on March 17, 2017 and shall vest and become exercisable in equal quarterly installments over the course of the following four (4) year period.
- These options began vesting on March 20, 2019 and shall vest and become exercisable in equal quarterly installments over the course of the following four (4) year period.
- These options began vesting on March 21, 2018 and shall vest and become exercisable in equal quarterly installments over the course of the following four (4) year period.
- These options began vesting on March 18, 2020 and shall vest and become exercisable in equal quarterly installments over the course of the following four (4) year period.
- These options began vesting on March 18, 2016 and shall vest and become exercisable in equal quarterly installments over the course of the following four (4) year period.
- These options, representing the right to purchase 20,000 shares, became exercisable on February 11, 2016, the first anniversary of the date of grant, with 25% vesting and the remaining 75% vesting in equal quarterly installments over three years thereafter.
- Each Restricted Stock Unit (RSU) represents a contingent right to receive one share of common stock of Vericel Corporation.
- These RSUs vest in four annual installments. The first installment of RSUs vested on March 20, 2020 and are shown in the holdings reported in Table I. The remaining 1,500 RSUs will vest in annual installments on March 20, 2021, March 20, 2022, and March 20, 2023, respectively.
- No expiration date for this type of award.

10. These RSUs vest in four annual installments with 500 RSUs vesting on March 18, 2021, March 18, 2022, March 18, 2023 and March 18, 2024, respectively.

Remarks:

/s/ Sandra L. Pennell

10/02/2020

** Signature of Reporting
Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

LIMITED POWER OF ATTORNEY FOR
SECTION 16 AND RULE 144 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned's hereby makes, constitutes and appoints each of Dominick Colangelo and Sean C. Flynn as the undersigned's true and lawful attorney-in-fact, with full power and authority as hereinafter described on behalf of and in the name, place and stead of the undersigned to:

- (1) prepare, execute, acknowledge, deliver and file Forms 3, 4, and 5 (including any amendments thereto) with respect to the securities of Vericel Corporation, a Michigan corporation (the "Company"), with the United States Securities and Exchange Commission, any national securities exchanges and the Company, as considered necessary or advisable under Section 16(a) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time (the "Exchange Act");
- (2) prepare, execute, acknowledge, deliver and file Forms 144 in accordance with Rule 144 under the Securities Act of 1933 (the "Securities Act"), and other documents in connection therewith as necessary or desirable to be done under Rule 144;
- (2) seek or obtain, as the undersigned's representative and on the undersigned's behalf, information on transactions in the Company's securities from any third party, including brokers, employee benefit plan administrators and trustees, and the undersigned hereby authorizes any such person to release any such information to the undersigned and approves and ratifies any such release of information; and
- (3) perform any and all other acts which in the discretion of such attorney-in-fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

- (1) this Power of Attorney authorizes, but does not require, such attorney-in-fact to act in his or her discretion on information provided to such attorney-in-fact without independent verification of such information;
- (2) any documents prepared and/or executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney will be in such form and will contain such information and disclosure as such attorney-in-fact, in his or her discretion, deems necessary or desirable;
- (3) neither the Company nor such attorney-in-fact assumes (i) any liability for the undersigned's responsibility to comply with the requirements of the Exchange Act or the Securities Act, (ii) any liability of the undersigned for any failure to comply with such requirements, or (iii) any obligation or liability of the undersigned for profit disgorgement under Section 16(b) of the Exchange Act; and
- (4) this Power of Attorney does not relieve the undersigned from responsibility for compliance with the undersigned's obligations under the Securities Act or the Exchange Act, including without limitation the reporting requirements under Section 16 of the Exchange Act.

The undersigned hereby gives and grants the foregoing attorney-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or appropriate to be done in and about the foregoing matters as fully to all intents and purposes as the undersigned might or could do if present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted.

This Power of Attorney shall remain in full force and effect until revoked by the undersigned in a signed writing delivered to such attorney-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to

be executed as of this 10th day of September, 2020.

/s/ Sandra L. Pennell
Signature

Sandra L. Pennell
Print Name

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