

INOVIO PHARMACEUTICALS, INC.
Form DEF 14A
March 29, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

INOVIO PHARMACEUTICALS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

INOVIO PHARMACEUTICALS, INC.

660 W. Germantown Pike, Suite 110

Plymouth Meeting, Pennsylvania 19462

To the Stockholders of Inovio Pharmaceuticals, Inc.:

Notice is hereby given that Inovio Pharmaceuticals, Inc. will be holding its Annual Meeting of Stockholders on May 12, 2017, at 9:00 a.m., local time, at the company's principal executive offices located at 660 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462.

You are cordially invited to attend.

The Notice of Annual Meeting of Stockholders and Proxy Statement, which describe the formal business to be conducted at the meeting, follow this letter.

After reading the Proxy Statement, please promptly mark, sign and return the enclosed proxy in the prepaid envelope (for mailing in the United States only) to assure that your shares will be represented at our Annual Meeting. Your shares cannot be voted unless you date, sign and return the enclosed proxy, attend the Annual Meeting in person or vote your shares using the automated Internet or phone system. Regardless of the number of shares you own, your careful consideration of, and vote on, the matters before our stockholders are important.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy by phone, via the Internet or by signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope. For more information on voting and submitting your proxy by phone or via the Internet, see "Voting of Proxies" on page 2 of the accompanying Proxy Statement. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

A copy of our 2016 Annual Report is also enclosed.

The Board of Directors and management look forward to seeing you at the Annual Meeting.

Very truly yours,

J. Joseph Kim, Ph.D

Chief Executive Officer

Dated: March 29, 2017

INOVIO PHARMACEUTICALS, INC.

660 W. Germantown Pike, Suite 110

Plymouth Meeting, Pennsylvania 19462

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 12, 2017

To the Stockholders of Inovio Pharmaceuticals, Inc.:

You are invited to attend our 2017 Annual Meeting of the Stockholders, which will be held on May 12, 2017, at 9:00 a.m., local time, at 660 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462, for the following purposes:

1. To elect eight directors to hold office until our 2018 Annual Meeting of Stockholders and until their successors are elected and duly qualified. Our Board has nominated and recommends for election the following persons:

Avtar Dhillon, M.D.

J. Joseph Kim, Ph.D.

Simon X. Benito

George W. Bickerstaff

Angel Cabrera, Ph.D.

Morton Collins, Ph.D.

Adel A. F. Mahmoud, M.D., Ph.D.

David B. Weiner, Ph.D.

2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017.

3. To approve, by a non-binding vote, the compensation of our named executive officers we describe in our accompanying Proxy Statement.

4. To determine, by a non-binding vote, the frequency with which we submit to our stockholders for approval the compensation of our named executive officers;

5. To transact such other business as may properly come before the meeting.

Our Board recommends a vote “for” each of the nominees, “for” proposals 2 and 3 and for “three years” for proposal 4. Holders of record of our common stock and holders of record of our Series C Cumulative Convertible Preferred Stock at the close of business on March 17, 2017, are entitled to notice of, and to vote at, this meeting and any adjournments thereof. For ten days prior to the meeting, a complete list of the stockholders of record on March 17, 2017 will be available at our principal executive offices, during ordinary business hours, for examination by any Stockholder for any purpose relating to the meeting.

By order of the Board of Directors,

J. Joseph Kim, Ph.D

Chief Executive Officer

Dated: March 29, 2017

IMPORTANT: Please fill in, date, sign and promptly mail the enclosed proxy card in the accompanying postpaid envelope to assure that your shares are represented at the meeting. If you attend the meeting, you may choose to vote in person even if you have previously sent in your proxy card.

INOVIO PHARMACEUTICALS, INC.
660 W. Germantown Pike, Suite 110
Plymouth Meeting, Pennsylvania 19462

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

Our Board is soliciting proxies for use at the Annual Meeting of Stockholders to be held at our principal executive offices, 660 W. Germantown Pike, Plymouth Meeting, Pennsylvania 19462 on May 12, 2017 at 9:00 a.m. local time, or any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting. This Proxy Statement is dated March 29, 2017. We are mailing this Proxy Statement to our stockholders on or about March 31, 2017. Unless the context requires otherwise, references to “we,” “us,” “our,” “Inovio,” and “Company” refer to Inovio Pharmaceuticals, Inc.

General Information

Voting Securities. Only stockholders of record as of the close of business on March 17, 2017 will be entitled to vote at the meeting and any adjournment thereof. As of March 17, 2017, we had the following outstanding:

74,324,067 shares of common stock; and

23 shares of Series C Cumulative Convertible Preferred Stock, which are convertible into an aggregate of 8,456 shares of common stock.

You may vote in person or by proxy. On the proposals presented in this Proxy Statement, each holder of shares of our common stock is entitled to one vote for each share of stock held; and

Series C Preferred Stock is entitled to 368 votes for each share of Series C Preferred Stock held.

Holders of our common stock and Series C Preferred Stock vote together as a single class in connection with each of Proposal Nos. 1, 2, 3 and 4. Our bylaws provide that one-third of all of the shares of the stock entitled to vote, whether present in person or represented by proxy, shall constitute a quorum for the transaction of business at the meeting.

Thus, a quorum for this year’s Annual Meeting consists of 24,777,508 shares.

The affirmative vote of a plurality of all of the votes cast at a meeting at which a quorum is present is necessary for the election of each of the nominees for director. For purposes of the election of directors, abstentions and broker non-votes will not be counted as votes cast and will have no effect on the result of the vote, although they will count toward the presence of a quorum. Broker non-votes occur when a broker holding a customer’s securities in street name does not vote on a particular proposal because the broker has not received voting instructions from the customer on certain matters for which the broker is required to have instructions in order to vote.

The affirmative vote of the holders of a majority of the of the votes represented by shares present or represented by proxy and eligible to vote at the Annual Meeting is necessary for the approval of the Proposals Nos. 2, 3 and 4 set forth in this Proxy Statement, as explained under each proposal. Abstentions will be counted as present for purposes of determining the presence of a quorum and could prevent the approval of a proposal because they do not count as affirmative votes. Broker non-votes will be counted as present for purposes of determining the presence of a quorum, but otherwise will not be counted as they are not eligible to vote on matters for which the broker has not received voting instructions.

Solicitation of Proxies. We will bear the cost of soliciting proxies. In addition, we will solicit stockholders by mail, and will request banks and brokers, and other custodians, nominees and fiduciaries, to solicit their customers who have shares of our stock in the names of such persons and will reimburse them for their reasonable, out-of-pocket costs. We may use the services of our officers, directors, and others to solicit proxies, personally or by telephone, without additional compensation.

Voting of Proxies. If your shares are registered in your own name, you may vote by signing and mailing a completed proxy card or by voting via the Internet or by telephone. Instructions for voting via the Internet or by telephone are set forth on the enclosed proxy card. To vote by mailing a proxy card, sign and return the enclosed proxy card in the enclosed prepaid and addressed envelope, and your shares will be voted at the meeting in the manner you direct. In the event that you return a signed proxy card on which no directions are specified, your shares will be voted FOR each of the Board nominees (Proposal No. 1); FOR ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017 (Proposal No. 2); FOR approval, by a non-binding vote, of the resolution regarding compensation of our named executive officers we describe in this Proxy Statement (Proposal No. 3); and FOR approval, by a non-binding vote, of three years as the frequency with which we will submit to our stockholders for a non-binding vote for approval of the compensation of our named executive officers (Proposal No. 4), and in the discretion of the proxy holders as to any other matters that may properly come before the meeting. You may revoke or change a previously delivered proxy at any time before the meeting by delivering another proxy with a later date or by sending written notice of revocation of your proxy to our Secretary at our principal executive offices for receipt before the beginning of the meeting. You may also revoke your proxy by attending the meeting and voting in person. Attendance at the meeting will not in and of itself revoke a valid proxy that was previously delivered; you must also vote in person at the meeting to do so.

If your shares are registered in the name of a bank or brokerage firm, you will receive instructions from the holder of record that must be followed in order for the record holder to vote the shares in accordance with your instructions. Many banks and brokerage firms have a process for their beneficial holders to provide instructions over the phone or via the Internet. If Internet or telephone voting is unavailable from your bank or brokerage firm, please complete and return the enclosed voting instruction card in the addressed, postage paid envelope provided.

Delivery of Proxy Materials to Households. "Householding" is a program, approved by the Securities and Exchange Commission, or the SEC, which allows companies and intermediaries such as banks or brokers to satisfy the delivery requirements for proxy statements and annual reports by delivering only one package of stockholder proxy material to any household at which two or more stockholders reside. If you and other residents at your mailing address own shares of our common stock in street name, your broker or bank may have notified you that your household will receive only one copy of our proxy materials. Once you have received notice from your broker that they will be "householding" materials to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate proxy statement, or if you are receiving multiple copies of the proxy statement and wish to receive only one, please notify your broker if your shares are held in a brokerage account. If you hold shares of our common stock in your own name as a holder of record, "householding" will not apply to your shares.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2017 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 12, 2017

Copies of this Proxy Statement and our 2016 Annual Report to Stockholders are also available online at www.inovio.com.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Our Board currently consists of nine members. There are eight nominees for director this year: Avtar Dhillon, M.D., J. Joseph Kim, Ph.D., Simon X. Benito, George W. Bickerstaff, Angel Cabrera, Ph.D., Morton Collins, Ph.D., Adel A. F. Mahmoud, M.D., Ph.D. and David B. Weiner, Ph.D. Each of the nominees is currently one of our directors. Mr. Bickerstaff joined our Board on March 21, 2017.

On March 3, 2017, our Board member Nancy J. Wysenski, informed our Board that she will not stand for re-election as a director at our 2017 Annual Meeting of Stockholders. Accordingly, Ms. Wysenski's service on the Board will conclude effective as of the election of directors at the 2017 Annual Meeting. Ms. Wysenski informed the Board that she was declining to stand for re-election for personal reasons. Therefore, effective upon the election of directors at our 2017 Annual Meeting of Stockholders, our Board has set the number of directors at eight.

If elected, the nominees will serve as directors until our Annual Meeting of Stockholders in 2018 and until their successors are elected and qualified. If a nominee declines to serve or becomes unavailable for any reason, the proxies may be voted for such substitute nominee as the proxy holders may designate.

Information Regarding Directors

The information set forth below as to the nominees for director has been furnished to us by the nominees.

Nominees for Election to Our Board

| Name | Age | Present Position with the Company |
|---------------------------------|-----|---|
| Avtar Dhillon, M.D. | 56 | Chairman of the Board of Directors |
| J. Joseph Kim, Ph.D. | 48 | President, Chief Executive Officer and Director |
| Simon X. Benito | 72 | Director |
| George W. Bickerstaff | 61 | Director |
| Angel Cabrera, Ph.D. | 49 | Director |
| Morton Collins, Ph.D. | 81 | Director |
| Adel A. F. Mahmoud, M.D., Ph.D. | 75 | Director |
| David B. Weiner, Ph.D. | 61 | Director |

Avtar Dhillon, M.D. joined us as our President and Chief Executive Officer, and as a director, in October 2001, served as our Chairman and President from June 1, 2009 to October 6, 2009, and served as Executive Chairman until August 1, 2011. Effective August 1, 2011, Dr. Dhillon became our Non-Executive Chairman, transitioning from Executive Chairman.

Dr. Dhillon qualifies to serve on our Board as he brings to our Board his prior experience in senior management positions with us and with our products and assets, extensive public company governance, financing and capital markets experience and significant industry expertise and contacts. Prior to joining us, Dr. Dhillon was engaged by MDS Capital Corp. (subsequently Lumira Capital Corp.), one of North America's leading healthcare venture capital organizations, as a consultant in July 1998, and subsequently became Investment Manager in August 1999 and Vice President in 2000. In July 1989, Dr. Dhillon started a medical clinic and subsequently practiced family medicine for over 12 years. From March 1997 to July 1998, Dr. Dhillon served as consultant to multiple biotech companies, including Cardiome Pharmaceuticals, a biotechnology company listed on the NASDAQ Capital Markets. Dr. Dhillon has a Bachelor of Science, honors degree in physiology and M.D. degree from the University of British Columbia. Dr. Dhillon is also the Non-Executive Chairman of Oncosec Medical, Inc., Arch Therapeutics Inc., Stevia First Corp., and Emerald Health Therapeutics, Inc.

J. Joseph Kim, Ph.D. joined us as our Chief Executive Officer and a director on June 1, 2009 and also became our President on October 6, 2009. Dr. Kim qualifies to serve on our Board given his broad experience as described below and his experience as our Chief Executive Officer. He was co-founder of VGX Pharmaceuticals, Inc., or VGX, and its former President, Chief Executive Officer and a director from 2000 to June 2009. He previously developed vaccines for Merck & Co. An immunologist by training, Dr. Kim holds an MIT undergraduate degree, a Ph.D. in biochemical engineering from the University of Pennsylvania, and an MBA from The Wharton School. He has published more than 100 scientific papers, holds numerous patents, and sits on editorial boards and scientific review panels. In 2015, Dr. Kim was named Entrepreneur of the Year for Life Sciences by Ernst and Young in the Philadelphia region. He

also serves on the board of the International Vaccine Institute and the Council of Korean Americans. The World Economic Forum selected Dr. Kim as a member of its Global Agenda Council and named him a Technology Pioneer as well as one of its Young Global Leaders. He is a frequent guest on CNBC's Fast Money and other financial programs, where he comments on our breakthroughs and the pharmaceutical landscape. MIT's Technology Review magazine called him "one of the world's top innovators." Dr. Kim is a Fellow of the

inaugural class of the Health Innovators Fellowship and a member of the Aspen Global Leadership Network where he is working with a team to develop a vision of tomorrow's healthcare system.

Simon X. Benito has served on our Board since December 2003 and qualifies to serve on our Board as he brings to our Board formal accounting and financial training and expertise, deep public company board experience, senior management experience in the health care industry, and important industry contacts. Prior to his retirement, Mr. Benito had a successful and extensive career serving several multinational corporations in senior executive positions, including 25 years at Merck & Co, Inc. His most recent positions included Senior Vice President, Merck Vaccine Division; Executive Vice President, Merck-Medco Managed Care; and Executive Director and Vice President, Merck Human Health, Japan. In addition, Mr. Benito was a Fellow of the Institute of Chartered Accountants in England and Wales for over 30 years until his retirement in 1999. Since April 2005, Mr. Benito has served as a director of DURECT Corporation, a publicly traded specialty pharmaceutical company.

George W. Bickerstaff joined our Board effective March 21, 2017. He brings to our Board finance, operations, and international business experience that will be an asset to us as we advance our products to commercialization and enter collaborative arrangements with other companies. Mr. Bickerstaff is an internationally recognized expert in finance, healthcare and information technology. Mr. Bickerstaff is currently a partner and the managing director of M.M. Dillon & Co., a healthcare and technology investment bank that he co-founded in 2005. In this role, he has advised dozens of companies on business strategy and financial and capital market issues. He has served Novartis Pharma AG as its chief financial officer from 2000 to 2005 and held senior financial positions at IMS Health from 1989 to 1997 and previously held financial positions with Dun & Bradstreet and General Electric. He currently serves as a member of the boards of directors of the following companies: ARIAD Pharmaceuticals, Inc. (NasdaqGS: ARIA); Cardax, Inc. (OTCQB: CDXI); and CareDx, Inc. (NASDAQ: CDNA). He holds a B.S. in Engineering and B.A. in Business Administration from Rutgers University and continued his executive education at Harvard Business School.

Angel Cabrera, Ph.D. joined our Board in June 2012 and qualifies to serve on our Board as he brings to our Board significant experience in corporate governance and management. Dr. Cabrera is currently President of George Mason University, the largest research university in Virginia. Previously he led two internationally renowned business schools: Thunderbird School of Global Management in Arizona and IE Business School in Madrid. Prior to IE he was a change management consultant with Accenture. Dr. Cabrera earned his Ph.D. and M.S. in psychology and cognitive science from the Georgia Institute of Technology-which he attended as a Fulbright Scholar-and his B.S. and M.S. in computer and electrical engineering from Madrid's Polytechnic University. He has received several leadership recognitions from the World Economic Forum, the Aspen Institute, Business Week and other media. His publications in management, leadership, psychology and higher education have been cited over 2,500 times. Dr. Cabrera is an advocate of corporate social responsibility and managerial professionalism. He serves on the board of directors of the Federal Reserve Bank of Richmond and several non-profit and academic boards, including Georgia Tech, and has served on the boards of two other public companies.

Morton Collins, Ph.D. has served on our Board since June 1, 2009 and qualifies to serve on our Board as he brings significant experience in raising and deploying capital for life sciences companies, extensive business and board experience in the life science industry and important industry contacts. Dr. Collins was previously a director of VGX from June 2008 to June 2009. Dr. Collins has been the Managing Partner of Battelle Ventures, which he founded, since August 2003. For the past 40 years, Dr. Collins has acquired broad expertise in venture capital funding of early-stage high-technology companies as a founder and managing partner of five different funds, Battelle Ventures and Data Science Ventures I, II, III, and IV. Dr. Collins chaired President Reagan's Task Force on Innovation and Entrepreneurship and served as technology policy advisor to President George H. W. Bush. He is a former President, Director and Chairman of the National Venture Capital Association, and currently serves as a Director of Kopin Corporation and several private companies. Dr. Collins holds a B.S. in Engineering and a Ph.D. in Science from the University of Delaware, and an M.A. and Ph.D. in Engineering from Princeton University.

Adel A. F. Mahmoud, M.D., Ph.D. joined our Board on March 26, 2012 and qualifies to serve on our Board as he brings to our Board his expertise as a world renowned vaccine leader and infectious disease expert. Dr. Mahmoud is a Professor at The Woodrow Wilson School of Public and International Affairs and The Department of Molecular

Biology at Princeton University. He has recently retired as President of Merck Vaccines and member of Management Committee of Merck & Company, Inc. His prior academic services at Case Western Reserve University and University Hospitals of Cleveland spanned 25 years concluding as Chairman of Medicine and Physician-in-Chief from 1987 to 1998. Dr. Mahmoud's academic pursuits focused on investigations of the biology and function of eosinophils particularly in host resistance to helminthic infections as well as determinants of infection and disease in human schistosomiasis and other infectious agents. At Merck, Dr. Mahmoud led the effort to develop four new vaccines which have been launched in 2005-2006, including: combination of Measles, Mumps, Rubella and Varicella; Rota Virus; Shingles and Human Papillomavirus. Dr. Mahmoud's leadership in setting strategies for Global Health shaped the agenda of the Forum on Microbial Threats of the Institute of Medicine in recent years by tackling topical issues such as biological threats and bioterrorism; SARS; Pandemic Flu and others. He is an active contributor to scientific literature and authored and edited several textbooks and reports. Dr. Mahmoud received his M.D. degree from the University of Cairo in 1963 and Ph.D from the University of London, School of Hygiene and Tropical Medicine in 1971. He

was elected to membership of the American Society for Clinical Investigation in 1978, the Association of American Physicians in 1980 and the Institute of Medicine of the National Academy of Sciences in 1987. He received the Bailey K. Ashford Award of the American Society of Tropical Medicine and Hygiene in 1983, and the Squibb Award of the Infectious Diseases Society of America in 1984. Dr. Mahmoud is a fellow of the American College of Physicians. He served on the National Advisory Allergy and Infectious Diseases Council and is a past president of the Central Society for Clinical Research and the International Society for Infectious Diseases. He currently serves as member of the Board of IAVI and as Chair of the Board of IVI in Seoul.

David B. Weiner, Ph.D. joined our Board in March 2016 and qualifies to serve on our Board as he is a world-renowned leader in immunology as well as gene vaccines and therapy. Dr. Weiner joined The Wistar Institute in 2016, the nation's first independent biomedical research institute, NCI-designated Cancer Center, and an international leader in cancer, immunology and infectious disease research, as Executive Vice President, Director of its Vaccine Center, and the W. W. Smith Charitable Trust Endowed Professorship in Cancer Research. Previously, Dr. Weiner was Professor of Pathology & Laboratory Medicine at the University of Pennsylvania and Chair of the Gene Therapy and Vaccine Program at the University's Perelman School of Medicine. In scientific circles, Dr. Weiner is known as the "father of DNA vaccines." He has more than 350 peer-reviewed publications in scientific journals, including mainstream scientific journals such as Scientific American, and has been designated by the Institute for Scientific Information as one of the top-cited scientists in the world. An inventor of more than 100 issued and pending US patents, Dr. Weiner has received numerous honors including election as a fellow to the American Association for the Advancement of Science in 2011 and the International Society for Vaccines in 2012. He was the recipient of the NIH Director's Transformative Research Award and received the Vaccine Industry Excellence Award for Best Academic Research Team in 2015 at the World Vaccine Congress. Dr. Weiner was honored with the prestigious Hilleman Lectureship in 2015 at the Children's Hospital of Philadelphia Grand Rounds session and received a Stone Family Award from Abramson Cancer Center for his groundbreaking work on DNA vaccines for cancer immune therapy. Dr. Weiner holds a Ph.D. in developmental biology from the University of Cincinnati College of Medicine, an M.S. in biology from the University of Cincinnati. and a B.S. in biology from SUNY at Stony Brook in Stony Brook, N.Y.

Attendance at Board Meetings and Committee Meetings

During the year ended December 31, 2016, our Board met five times, the Audit Committee met four times, the Nomination and Corporate Governance Committee met four times, the Compensation Committee met six times and the Finance Committee met two times. Each director attended at least 75% of the aggregate number of meetings held by (i) our Board and (ii) those committees of our Board on which he served.

Committees of Our Board

Under our Corporate Governance Policy, we expect our directors to attend our Annual Meeting of Stockholders. At our 2016 Annual Meeting of Stockholders all of our directors except for Dr. Mahmoud attended.

Audit Committee

The functions of the Audit Committee include retaining our independent registered public accounting firm, reviewing its independence, reviewing and approving the planned scope of our annual audit, reviewing and approving any fee arrangements with our independent registered public accounting firm, overseeing its audit work, reviewing and pre-approving any non-audit services that may be performed by it, reviewing the adequacy of accounting and financial controls, reviewing our critical accounting policies and reviewing and approving any related party transactions. The Audit Committee acts pursuant to a written charter that is available on our website at:

http://media.corporate-ir.net/media_files/irol/10/105128/corpGov/AuditCommittee.pdf.

The members of the Audit Committee currently are Simon Benito (Chair), Morton Collins, Angel Cabrera and Avtar Dhillon. Each member of the Audit Committee is independent under the NASDAQ listing standards. The Board has determined that Mr. Benito is an "audit committee financial expert" as defined under SEC regulations.

Compensation Committee

The Compensation Committee reviews and approves the compensation and benefits of our executive officers, including the Chief Executive Officer and directors, oversees the administration of our stock option and employee benefits plans, and reviews general policy relating to compensation and benefits. The Compensation Committee may

from time to time delegate duties or responsibilities to subcommittees or to one member of the Compensation Committee. The Compensation Committee acts pursuant to a written charter that is available on our website at: http://media.corporateir.net/media_files/irol/10/105128/corpGov/CompCommit.pdf.

The members of the Compensation Committee currently are Morton Collins (Chair), Simon Benito, Adel Mahmoud and Nancy Wysenski. Each member of the Compensation Committee is independent under the NASDAQ listing standards.

During the third quarter of 2016, the Compensation Committee engaged Radford, an independent compensation consultant, to provide information on compensation trends and practices and to assist them in evaluating our executive compensation policy and programs. This analysis was used to determine appropriate levels of compensation for our executive officers and make recommendations regarding the amount and form of our executive and non-employee director compensation. The work of Radford did not raise any conflict of interest.

Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee identifies prospective candidates to serve on our Board, recommends nominees for election to our Board, develops and recommends Board member selection criteria, considers committee member qualification, recommends corporate governance principles to our Board, and provides oversight in the evaluation of our Board and each committee. The Nomination and Corporate Governance Committee acts pursuant to a written charter on our website at:

http://media.corporate-ir.net/media_files/irol/10/105128/corpGov/NomandCorpGov.pdf.

The members of the Nomination and Corporate Governance Committee currently are Angel Cabrera (Chair), Avtar Dhillon, Adel Mahmoud and Nancy Wysenski. Each member of the Nomination and Corporate Governance Committee is independent under the NASDAQ listing standards.

Finance Committee

The Finance Committee was formed in August 2012. The function of the Finance Committee is to provide advice to the Board and management regarding the Company's financing strategy and other finance-related matters. This is an informal advisory committee and does not have a formal charter. The members of the Finance Committee are currently Avtar Dhillon (Chair), Joseph Kim, Simon Benito and Morton Collins.

Director Nominations

The Nomination and Corporate Governance Committee evaluates and recommends to our Board director nominees for each election of directors. As stated in our Corporate Governance Policy, our Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity.

Specifically, in fulfilling its responsibilities, the Nomination and Corporate Governance Committee considers the following factors: (i) the appropriate size of our Board and its committees; (ii) our needs with respect to the particular talents and experience of its directors; (iii) the knowledge, skills and experience of nominees, including experience in our industry, business, finance, administration or public service, in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of our Board; (iv) experience with accounting rules and practices; (v) applicable regulatory and securities exchange/association requirements (including the NASDAQ qualitative listing standards); and (vi) a balance between the benefit of continuity and the desire for a fresh perspective provided by new members.

The Nomination and Corporate Governance Committee's goal is to assemble a board that brings to us a variety of perspectives and skills, and sound business understanding and judgment, derived from high quality business, professional, governmental, community, scientific or educational experience. In doing so, the Nomination and Corporate Governance Committee also considers candidates with appropriate non-business backgrounds.

Other than the foregoing factors, there are no stated minimum criteria for director nominees. However, the Nomination and Corporate Governance Committee may also consider such other factors as it may deem are in our best interests and the interests of our stockholders. The Nomination and Corporate Governance Committee does, however, recognize that under applicable regulatory requirements at least one member of our Board must meet the criteria for an "audit committee financial expert" as defined by SEC rules. The Nomination and Corporate Governance Committee also believes it appropriate for our Chief Executive Officer to participate as a member of our Board.

Further, the Committee believes that the continuing service of qualified incumbent directors promotes stability and continuity in the board room, while giving us the benefit of familiarity and insight into our affairs that directors have accumulated during their tenure, and therefore generally re-nominates incumbent directors who continue to satisfy the Committee's criteria for membership on our Board.

All directors and director nominees are required to submit a completed form of directors' and officers' questionnaire as part of the nominating process. The process may also include interviews and additional background and reference

checks for non-incumbent nominees, at the discretion of the Nomination and Corporate Governance Committee. We do not have a written policy with respect to Board diversity; however, our Corporate Governance Policy states that the assessment of director nominees will include consideration of diversity, skills and experience in the context of the needs of our Board. The Nominating and Corporate Governance Committee and our Board believe that a diverse board leads to improved company performance by encouraging new ideas, expanding the knowledge base available to management and fostering a boardroom culture that promotes innovation and vigorous deliberation.

6

The Nomination and Corporate Governance Committee identifies nominees by first evaluating the current members of our Board who are willing to continue in service. The Committee considers for re-nomination current members of our Board with skills and experience that are relevant to our business balancing the value of continuity of service by existing members of our Board with that of obtaining a new perspective. If any member of our Board does not wish to continue in service, the Nomination and Corporate Governance Committee identifies the desired skills and experience of a new nominee in light of the criteria above. Current members of the Nomination and Corporate Governance Committee and our Board will be consulted for suggestions as to individuals meeting the criteria of the Nomination and Corporate Governance Committee. Research may also be performed to identify qualified individuals. If the Nomination and Corporate Governance Committee believes that our Board requires additional candidates for nomination, the Nomination and Corporate Governance Committee may explore alternative sources for identifying additional candidates. This may include engaging, as appropriate, a third party search firm to assist in identifying qualified candidates.

The Nomination and Corporate Governance Committee will consider nominees recommended by stockholders. Our bylaws provide that nominations shall be made pursuant to timely notice in writing to our corporate secretary. To be timely, in the case of a stockholder seeking to have a nomination included in our proxy statement, a stockholder's notice must be delivered to or mailed and received at our principal executive offices not less than 120 days or more than 180 days prior to the first anniversary of the date on which we first mailed our proxy materials (or, in the absence of proxy materials, our notice of meeting) for the previous year's annual meeting of stockholders. However, if we did not hold an annual meeting the previous year, or if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, then notice by the stockholder to be timely must be delivered to our corporate secretary at our principal executive offices not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 15th day following the day on which public announcement of the date of such meeting is first made. If the stockholder is not seeking inclusion of the nomination in our proxy statement, timely notice consists of a stockholder's notice delivered to or mailed and received at our principal executive offices not less than 90 days prior to the date of the annual meeting.

The stockholder's notice relating to director nomination(s) shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of our capital stock which are beneficially owned by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, or the Exchange Act; (b) as to the stockholder giving the notice, (i) the name and record address of the stockholder, and (ii) the class and number of shares of our capital stock that are beneficially owned by the stockholder; (c) as to the stockholder giving the notice and any Stockholder Associated Person, as described below, to the extent not set forth pursuant to the immediately preceding clause, whether and the extent to which any Relevant Hedge Transaction, as described below, has been entered into, and (d) as to the stockholder giving the notice and any Stockholder Associated Person, (1) whether and the extent to which any Derivative Instrument is directly or indirectly beneficially owned, (2) any rights to dividends on our shares owned beneficially by such stockholder that are separated or separable from the underlying shares, (3) any proportionate interest in our shares or Derivative Instruments, as described below, held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (4) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of our shares or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household, which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date. We may require any proposed nominee to furnish such other information as may reasonably be required by us to determine the eligibility of such proposed nominee to serve as a director.

For purposes of our bylaws:

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A “Stockholder Associated Person” of any stockholder means (i) any person controlling or controlled by, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of our stock owned of record or beneficially by such stockholder and (iii) any person controlling, controlled by or under common control with such Stockholder Associated Person;

A “Relevant Hedge Transaction” is any hedging or other transaction or series of transactions, or any other agreement, arrangement or understanding (including, but not limited to, any short position or any borrowing or lending of shares of stock), the effect or intent of which is to mitigate loss or increase profit to or manage the risk or benefit of stock price changes for, or to increase or decrease the voting power of, a stockholder with respect to any share of our stock; and

• “Derivative Instrument” means any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or

series of our shares, whether or not such instrument or right shall be subject to settlement in the underlying class or series of our capital stock or otherwise, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of our shares.

Corporate Governance Policy and Code of Business Conduct and Ethics

Our Corporate Governance Policy, our Code of Business Conduct and Ethics, including our Code of Ethics, and the charters of the committees of our Board are available on our website, www.inovio.com.

Communications Policy

Our Board has procedures in place designed to ensure effective communication among us, our stockholders, prospective investors and the public, including the dissemination of information on a regular and timely basis. Stockholders who want to communicate with our Board or any individual director can write to our Secretary at the following address: 660 W. Germantown Pike, Suite 110, Plymouth Meeting, Pennsylvania 19462. Your letter should indicate that you are one of our stockholders. Depending on the subject matter, management will:

- Forward the communication to the director or directors to whom it is addressed;

• Attempt to handle the inquiry directly, for example, where it is a request for information about us or it is a stock-related matter; or

• Not forward the communication if it is primarily commercial in nature or if it relates to an improper or irrelevant topic.

Board Leadership Structure

Our Board currently separates the roles of Chief Executive Officer and Chairman of the Board in recognition of the differences between the two roles. Our Chief Executive Officer is responsible for setting our strategic direction and our day-to-day leadership and performance, while the Chairman of the Board provides guidance to the Chief Executive Officer, works with the Chief Executive Officer in setting the agenda for Board meetings and presides over meetings of the full Board. However, our Board believes it should be able to freely select the Chairman of the Board based on criteria that it deems to be in our best interests and the interests of our stockholders, and therefore one person may, in the future, serve as both our Chief Executive Officer and Chairman of the Board.

The functions of our Board are carried out by the full Board and, when delegated, by the Board committees. Each director participates in our major strategic and policy decisions.

Board Role in Risk Management

The risk oversight function of our Board is carried out by both the Board and the Audit Committee. Management prepares and presents an annual business plan to the Board, which identifies risks associated with our operations and is reviewed quarterly by the Board. As provided in its charter, the Audit Committee meets periodically with management to discuss major financial and operating risk exposures and the steps, guidelines and policies taken or implemented related to risk assessment and risk management. Matters of strategic risk are considered by our Board. Each quarter management reports to the Audit Committee on legal, finance, accounting and tax matters. Our Board is provided with reports on legal matters at least quarterly and on other matters related to risk oversight on an as needed basis.

Code of Ethics

We have adopted a Code of Ethics, which applies to all directors, officers and employees, including the principal executive officer, principal financial and accounting officer and controller. The purpose of the Code is to promote honest and ethical conduct. The Code of Ethics is included in our Code of Business Conduct and Ethics and is available on our website and is also available in print, without charge, upon written request to our corporate secretary at 660 W. Germantown Pike, Suite 110, Plymouth Meeting, Pennsylvania 19462. Any amendments to or waivers of the Code will be promptly posted on our website at www.Inovio.com or in a report on Form 8-K, as required by applicable laws.

Board Member Independence

Our Board has determined that, except for Drs. Kim and Weiner, all of the nominees for election to our Board listed above are, and all other individuals who served as members of our Board in 2016 were, "independent" as independence is defined in the NASDAQ qualification standards. Dr. Kim was not considered independent because he is a current

employee and Dr. Weiner was not considered independent because he currently serves as Chairman of the Scientific Advisory Board.

Our Board unanimously recommends that you vote "FOR" each nominee listed above. The proxy holders will vote your proxy in that manner unless you specify otherwise on the accompanying proxy card.

Report of the Audit Committee

The Audit Committee oversees our financial reporting process on behalf of our Board. Management has the primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited consolidated financial statements in our annual report with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee reviewed with Ernst & Young LLP, who are responsible for expressing an opinion on the conformity of these audited consolidated financial statements with generally accepted accounting principles, their judgments as to the quality, not just the acceptability, of our accounting principles and such other matters as are required to be discussed with the Audit Committee by the Standards of the Public Company Accounting Oversight Board (United States) (PCAOB), including PCAOB Auditing Standard No. 16, Communications With Audit Committees, the rules of the Securities and Exchange Commission (SEC) and other applicable regulations. In addition, the Audit Committee has discussed with Ernst & Young LLP their independence from management and the Company, has received from Ernst & Young LLP the written disclosures and the letter required by Rule 3526 of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has considered the compatibility of non-audit services with Ernst and Young's independence.

The Audit Committee met with Ernst & Young LLP to discuss the overall scope of their audit services, the results of the audit and reviews, its evaluation of our internal controls, including internal control over financial reporting, and the overall quality of our financial reporting. Ernst & Young LLP, as our independent registered public accounting firm, also periodically updates the audit committee about new accounting developments and their potential impact on our reporting. The meetings with Ernst & Young LLP were held with and without management present. The Audit Committee is not employed by us, nor does it provide any expert assurance or professional certification regarding our consolidated financial statements. The Audit Committee relies, without independent verification, on the accuracy and integrity of the information provided, and representations made, by management and our independent registered public accounting firm.

Based on the reviews and discussions referred to above, the Audit Committee has recommended to our Board, and the Board has approved, that the audited consolidated financial statements and management's assessment of the effectiveness of the Company's internal control over financial reporting be included in our annual report on Form 10-K for the year ended December 31, 2016, filed by the Company with the SEC. The Audit Committee and the Board also have recommended the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2017.

This Audit Committee Report is not soliciting material, is not deemed to be filed with the SEC, and is not incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made by us before or after the date hereof, regardless of any general incorporation language in any such filing, except to the extent we specifically incorporate this material by reference into any such filing.

The foregoing report has been furnished by the Audit Committee.

Simon X. Benito
Angel Cabrera
Morton Collins
Avtar Dhillon

Dated: March 1, 2017

Compensation of Directors
Non-Employee Director Compensation Program

Effective November 6, 2015, the Board of Directors approved an adjustment to the cash compensation to be paid by the Company to its non-employee directors to provide for annual retainer payments rather than per-meeting fees. The annual payment to non-employee directors will be \$45,000 and to the non-employee chairman of the Board will be \$75,000. Additionally, the chairperson of each of the Audit Committee, the Compensation Committee and the Nomination and Corporate Governance Committee will each receive \$20,000, \$15,000 and \$10,000 annually, respectively, and members of

the Audit Committee, the Compensation Committee, the Nomination and Corporate Governance Committee and the Finance Committee (not including chairpersons) will receive \$10,000, \$7,000, \$5,000 and \$5,000 annually, respectively.

Upon their election or appointment to our Board, each of our non-employee directors will be granted equity awards equivalent to stock options exercisable for 40,000 shares of our common stock, at the then fair market value pursuant to the terms of our Amended and Restated 2007 Omnibus Incentive Plan or 2016 Incentive Plan, to be allocated as non-qualified stock options or restricted stock units at a ratio determined from time to time by our Board or its Compensation Committee, which the Compensation Committee has currently set at 1.63 stock options to 1 restricted stock unit. In addition, each non-employee director will be automatically granted equity awards equivalent to a stock option to purchase up to 25,000 shares of our common stock if he or she remains on our Board on the date of each annual meeting of stockholders. Such awards will be allocated as non-qualified stock options and restricted stock units at a ratio determined from time to time by our Board or its Compensation Committee, which the Compensation Committee has currently set at 1.63 stock options to 1 restricted stock unit.

2016 Non-Employee Director Option and Restricted Stock Unit Grants

During the year ended December 31, 2016, we granted 10-year options to purchase a total of 86,000 shares of our common stock to our non-employee directors. Mr. Benito, Dr. Collins, Dr. Cabrera, Dr. Dhillon, Dr. Mahmoud, Dr. Weiner and Ms. Wysenski all received options to purchase 10,000 shares each, exercisable at \$9.33 per share. Upon joining the Board, Dr. Weiner was also granted options to purchase 16,000 shares of our common stock exercisable at \$7.02 per share.

During the year ended December 31, 2016, we granted 86,000 RSUs to our non-employee directors. Mr. Benito, Dr. Collins, Dr. Cabrera, Dr. Dhillon, Dr. Mahmoud, Dr. Weiner and Ms. Wysenski each received 10,000 RSUs, respectively. Upon joining the Board, Dr. Weiner was also granted 16,000 RSUs.

For his services as Chairman of the Company's Scientific Advisory Board, in March 2016 Dr. Weiner was also granted options to purchase 30,000 shares of our common stock exercisable at \$7.02 per share, and 30,000 RSUs.

Director Compensation Table

The following table sets forth certain information with respect to non-employee director compensation during 2016.

| Name | Fees Earned or Paid in Cash (\$) | Stock Awards (\$)(1) | Option Awards (\$)(2) | Total (\$) |
|-----------------------|---|----------------------------|-----------------------------|---------------|
| Dr. Avtar Dhillon (3) | 90,000 | 93,300 | 57,512 | 240,812 |
| Simon X. Benito (4) | 77,000 | 93,300 | 57,512 | |