

# INVESTIGATOR CONFLICT OF INTEREST POLICY

August 24, 2012



## 1. Purpose

Public confidence and the reputation of the company are valuable business assets that INOVIO strives to maintain by ethical conduct in interactions with its business contacts, investors, employees and the government. INOVIO intends not simply to comply with legal requirements but to conduct its business in accordance with a high level of honesty and integrity. INOVIO expects each officer, director and employee to act in good faith and with integrity in the performance of his or her responsibilities on behalf of the company and in compliance with all applicable laws, rules and regulations. INOVIO's Investigator Conflict of Interest Policy has been developed to address and comply with the specific 2011 federal requirements defined in the United States Department of Health and Human Services' Objectivity in Research Regulations 42 CFR part 50 subpart F (grants) and 42 CFR part 94 (contracts). The U.S. Public Health Service oversees and monitors INOVIO's compliance with the Regulations.

The purpose of this policy ("Policy") is to set forth the framework for identifying, evaluating, and managing financial conflicts of interest related to research funded under Public Health Service ("PHS") grants or cooperative agreements to control their ability to create bias and to maintain integrity, credibility, and respect for the work of our Investigators.

A Financial Conflict of Interest ("FCOI") exists when INOVIO, through the procedures described in this Policy, reasonably determines that the investigator's Significant Financial Interest ("SFI") could affect the design, conduct or reporting of research conducted by INOVIO. The FCOI may arise even though no improper conduct or unethical behavior has occurred. INOVIO and its Investigators are responsible for identifying and then managing, reducing or eliminating such financial conflicts of interest to strengthen accountability and transparency, promote research objectivity, and maintain the integrity of research findings and prudent stewardship of public funds.

All Investigators conducting research funded under PHS grants or cooperative agreements will be notified about INOVIO's conflict of interest requirements as well as their Disclosure responsibilities under the Policy. INOVIO, through an appointed Institutional Official, will administer this Policy and emphasize compliance with its requirements, including the review of Annual Disclosure Forms, the training and Management of Investigators about this FCOI Policy, and the timely identification, reporting and Management of the FCOI. Where more stringent requirements and regulations relating to conflict of interest of any funding agency or sponsor conflict with INOVIO's Policy, the requirements and regulations of that funding agency or sponsor will take precedence.

## 2. Definitions

- ***Clinical Trial*** shall mean any research study that prospectively assigns human participants or groups of humans to one or more health-related interventions to evaluate the effects on health outcomes. Clinical Trials may also be referred to as interventional trials. Interventions include but are not restricted to drugs, cells and other biological products, surgical procedures, radiologic procedures, devices, behavioral treatments, process-of-care changes, preventive care, etc. This definition includes Phase I to Phase IV trials.

- ***Disclosure*** refers to the Investigator's disclosure of SFIs to INOVIO.

- ***Family Member*** means an Investigator's spouse or dependent child, or persons having such other relationships to the Investigator as the Institutional Official may determine from time to time.
- ***Financial Conflict of Interest*** will be deemed to exist when INOVIO reasonably determines that a SFI disclosed by the Investigator could directly and significantly affect the design, conduct or reporting of PHS-funded Research.
- ***Financial Interest*** means anything of monetary value, whether or not the value is readily ascertainable.
- ***Institution*** refers to an entity like INOVIO who applies for and receives PHS Research funding.
- ***Institutional Official*** refers to an individual designated by INOVIO to solicit and review Disclosures of SFIs from each Investigator who is planning to participate in, or is participating in, the PHS-funded Research.
- ***Investigator*** means the project director or principal Investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of Research funded by the PHS, or proposed for such funding, which may include, for example, collaborators or consultants.
- ***Investigator's Institutional Responsibilities*** means professional activities taking place on behalf of INOVIO including, but not limited to, research, research consultation, teaching, professional practice, institutional committee memberships and service on panels such as Institutional Review Boards or Data and Safety Monitoring Boards.
- ***Manage*** means taking action to address the FCOI, which can include reducing or eliminating the FCOI so INOVIO can ensure, to the extent possible, that the design, conduct and reporting of research will be free from bias.
- ***PHS*** means the Public Health Service of the U.S. Department of Health and Human Services, and any components of the PHS to which the authority involved may be delegated, including the National Institutes of Health (NIH).
- ***Regulation or FCOI Regulation*** refers to 42 CFR Part 50 Subpart F, Promoting Objectivity in Research, which applies to both grants and cooperative agreements.
- ***Report*** refers to INOVIO's Report of identified FCOIs to PHS.
- ***Research*** means a systematic investigation, study or experiment designed to develop or contribute to generalizable knowledge. The term encompasses basic and applied research (*e.g.*, a published article, book, or book chapter) and product development (*e.g.*, of a diagnostic test or drug). The term includes any such activity for which research funding is available from a PHS Awarding Component through a grant or cooperative agreement, authorized under 42 U.S.C. 201 *et seq.* or other statutory authority, such as a research grant, career development award, center grant, individual

fellowship award, infrastructure award, institutional training grant, program project, or research resources award.

- ***Senior/Key Personnel*** means the project director or principal Investigator and any other person identified as senior/key personnel by INOVIO in the grant application, progress report or any other report submitted to the PHS related to Research.

- ***Significant Financial Interest*** means one or more of the following of the Investigator (or the Investigator's Family Member) that reasonably appear to be related to the Investigator's Institutional Responsibilities:

- (i) With regard to any publicly traded entity, a SFI exists if the value of any remuneration received from the entity in the twelve months preceding the Disclosure plus the value of any equity interest in the entity as of the date of the Disclosure, when aggregated, exceeds \$5,000. Remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship); equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value;

- (ii) With regard to any non-publicly traded entity, a SFI exists if the value of any remuneration received from the entity in the twelve months preceding the Disclosure, when aggregated, exceeds \$5,000, or if the Investigator or Family Member holds any equity interest (e.g., stock, stock option, or other ownership interest);

- (iii) Intellectual property rights and interests (e.g., patents, copyrights) not assigned to INOVIO, upon receipt of any income related to such rights and interests; or

A SFI is related to PHS-funded Research when INOVIO, through the Institutional Official, reasonably determines that the SFI: could be affected by the PHS-funded Research; or is in an entity whose Financial Interest could be affected by the research. Consistent with the definition, above, a FCOI exists when INOVIO, through the Institutional Official, reasonably determines that the SFI could directly and significantly affect the design, conduct, or reporting of the PHS-funded research.

Notwithstanding the foregoing, a SFI *does not include* the following types of Financial Interests:

- Salary, royalties, or other remuneration paid by INOVIO to the Investigator if the Investigator is currently employed or otherwise appointed by INOVIO, including intellectual property rights assigned to INOVIO and agreements to share in royalties related to such rights;

- Any ownership interest in INOVIO;

- Income from service on advisory committees or review panels for a federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center or a research institute that is affiliated with an institution of higher education as defined at 20 U.S.C. 1001(a);

- Equity in or income from investment vehicles, such as mutual funds and retirement accounts, as long as the Investigator does not directly control the investment decisions made in these vehicles; or
- Income from seminars, lectures, or teaching engagements sponsored by federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center or a research institute that is affiliated with an institution of higher education.

### **3. Who Must Comply**

This Policy applies to all INOVIO Investigators who contribute to the design, conduct or reporting of Research funded by the PHS, or proposed for such funding.

### **4. Training**

All Investigators who contribute to the design, conduct or reporting of PHS-supported Research are mandated to complete training related to Research-related financial conflicts of interest prior to engaging in Research and at least every four years thereafter. INOVIO will inform each Investigator of this Policy, the Investigator's responsibilities regarding Disclosure of SFIs, and of the 2011 federal requirements defined in the United States Department of Health and Human Services' Objectivity in Research Regulations 42 CFR part 50 subpart F (grants) and 42 CFR part 94 (contracts). Investigators new to INOVIO or are planning on or are participating in PHS-funded Research must undergo training promptly after commencement of employment. In addition, each Investigator planning on or are participating in PHS-funded Research must undergo training within a reasonable period of time following any substantive change to this Policy that afterwards affects the requirements for Investigators, and must be retrained if it is determined that the Investigator has not complied with this Policy or with a Management plan related to his or her activities.

### **5. Disclosure of Significant Financial Interests**

At least annually, each Investigator must submit a Disclosure of SFIs and such other information as INOVIO may require. This Disclosure must be updated at the time of submission of a proposal for sponsored Research, upon submission of a protocol, upon being added (in a capacity that meets the definition of Investigator) to an ongoing Research project, and also within thirty days of the Investigator's discovering or acquiring a new SFI. The means and format of the Disclosure will be prescribed by INOVIO and communicated to the Investigator. In addition to the Disclosure, the Investigator must provide requested information to assist INOVIO in the assessment of whether any of the Investigator's SFIs are related to the Investigator's Research.

Investigators who are funded or proposed to be funded by the Public Health Service must also disclose the occurrence of any reimbursed or sponsored travel related to the Investigator's Institutional Responsibilities during the previous twelve months. Travel Disclosures must include the purposes of the trip, the identity of the trip's sponsor or organizer, the trip's origin and destination, and the duration of the trip. The Investigator need not disclose travel expenses that are reimbursed or sponsored by a federal, state or local government agency, an institution of higher education, an academic teaching hospital, a medical center or a research institute that is affiliated with an institution of higher education. In addition, INOVIO may request other information about the trip as necessary to evaluate whether the travel may constitute a FCOI.

## **6. Annual Disclosure Review**

INOVIO shall appoint an Institutional Official to review Disclosures of SFIs and, where applicable, travel, and the Investigator's assessment of relatedness of the SFIs to the Research in which the Investigator engages or proposes to engage. The official shall review the Disclosures annually as well as prior to INOVIO's expenditure of any funds under a PHS-funded Research project and reasonably determine whether any of the disclosed SFIs or travel payments could be affected by the Research or are in an entity whose Financial Interest could be affected by the Research.

The Institutional Official is responsible to make the ultimate determination regarding whether a related SFI constitutes a FCOI and, if so, whether the FCOI is amenable to Management.

INOVIO shall maintain records relating to all Investigator Disclosures of Financial Interests and INOVIO's review of, and response to, such Disclosures (whether or not such Disclosure resulted in INOVIO's determination of a FCOI) and all actions under this Policy or retrospective review, if applicable, for three years from the date the final expenditures Report is submitted to the PHS.

## **7. Management**

A SFI may be found by the Institutional Official to constitute a FCOI and may be subjected to a requirement that the FCOI be Managed (including elimination of the FCOI, where appropriate) as a condition to the Investigator's participation in the Research to which it is related. The determination of whether a FCOI, including a FCOI involving a Clinical Trial, is manageable without elimination of the Financial Interest should take into account relevant factors such as the nature and design of the Research; the magnitude and nature of the Financial Interest; the extent to which the Financial Interest could be influenced by Research; the uniqueness of the Investigator's position with respect to the study; whether the interest is amenable to Management; in addition, with respect to Clinical Trials, the degree of risk to human subjects, the role of the Investigator in the study, and the degree of the Investigator's influence upon the recruitment and enrollment of subjects or the results of the study.

A plan to manage the FCOI may be developed and recommended by the Institutional Official. Examples of conditions or restrictions that might be imposed to manage a FCOI include, but are not limited to:

- Public disclosure of financial conflicts of interest (*e.g.*, when presenting or publishing the Research);
- For Research projects involving human subjects Research, disclosure of financial conflicts of interest directly to participants;
- Appointment of an independent monitor capable of taking measures to protect the design, conduct, and reporting of the research against bias resulting from the FCOI;
- Modification of the Research plan;
- Change of personnel or personnel responsibilities, or disqualification of personnel from participation in all or a portion of the Research;

- Reduction or elimination of the Financial Interest (*e.g.*, sale of an equity interest); or
- Severance of relationships that create financial conflicts.

The Institutional Official will communicate the findings and elements of the management plan to the Investigator, and the Investigator will be granted the opportunity to review the management plan and must acknowledge in writing his or her acceptance of the obligation to abide by the plan.

Once the management plan has been finalized, INOVIO will prepare, if applicable, FCOI Reports required to be submitted to the PHS. The Report will contain such information as prescribed in section 10, below.

Establishment of the management plan also initiates responsibility for monitoring compliance with the plan until completion of the Research project. As part of finalizing the management plan, INOVIO will establish an ongoing monitoring program to ensure compliance with requirements of the management plan.

The Investigator is required to cooperate fully with INOVIO in all aspects of the administration of this Policy. This includes, among other things, providing all information as required to allow INOVIO to understand and assess the Investigator's Disclosure of the SFI and the relatedness of the SFI to the Investigator's Research, assisting in the conduct of retrospective reviews where appropriate, and responding promptly and appropriately to implementation and monitoring of management and mitigation plans or corrective action. In the event the Investigator fails to comply with this FCOI policy or the FCOI Management plan, INOVIO will notify PHS promptly and take corrective action for noncompliance.

## 8. Response to Non-Compliance

- ***Untimely Disclosures:*** Should INOVIO identify a SFI that, for any reason, was not disclosed by an Investigator within the required timeline or was not previously reviewed by INOVIO during the ongoing Research project, the Investigator and INOVIO will, within sixty days where required by law or by the terms of the Research reward, perform their respective responsibilities to review the interest, determine its relatedness to the Research project, and determine whether a FCOI exists. If such a conflict of interest exists, INOVIO will implement a management plan. In addition, whenever a FCOI is not identified and managed in a timely manner, INOVIO shall, within 120 days of INOVIO's determination of non-compliance, complete a retrospective review of the Investigator's activities and the PHS-funded Research project to determine whether any PHS-funded Research, or portion thereof, conducted during the time period of the non-compliance, was biased in the design, conduct, or reporting of such Research. If appropriate, INOVIO will update the previously submitted Report, specifying the actions that will be taken to manage the FCOI going forward.

- ***Sanctions for violations:*** INOVIO will establish adequate enforcement mechanisms, provide for employee sanctions and other administrative action, where appropriate, in the event the Investigator fails to comply with the FCOI Policy or management plan. Violations of this Policy may result in progressive disciplinary action. Where the PHS determines that a PHS-funded Research project has been designed, conducted, or reported by an Investigator with an FCOI that was not managed or reported as required by this Policy, INOVIO will require the Investigator involved to

disclose the FCOI in each public presentation of the results of the Research, and to request an addendum to previously published presentations.

## **9. Responsibilities for Research Subrecipients**

If required under the terms and conditions of a sponsored Research project, INOVIO will require any written subaward agreement with any organization to include terms establishing the applicable FCOIs policy governing the subrecipient's work. The subrecipient will be required to provide certification that its policy is established in accord with 42 CFR part 50 subpart F requirements or, if unable to provide such certification, the subaward agreement shall state that INOVIO Policy will be applicable to all subrecipient Investigators. If subrecipient's Investigators must comply with subrecipient's FCOIs policy, the subaward agreement shall specify a time period, sufficient to enable INOVIO to provide timely financial conflicts of interest Reports to PHS, for the subrecipient to report all identified financial conflicts of interest to INOVIO. Alternatively, if subrecipient's Investigators must comply with this Policy, the subaward agreement shall specify a time period, sufficient to enable INOVIO to enable INOVIO to comply timely with its review, management, and reporting obligations, for the subrecipient to submit all Investigator Disclosures of SFIs.

## **10. Reporting**

INOVIO will provide initial and ongoing Reports to the PHS. Prior to the expenditure of any funds under a PHS-funded Research project, INOVIO shall provide to the organizational unit of the PHS that funds the Research a FCOI Report regarding any Investigator's SFI found by INOVIO to be conflicting. In cases where INOVIO identifies a FCOI and eliminates it prior to the expenditure of PHS-awarded funds, INOVIO shall not submit a FCOI Report to the PHS.

In addition where appropriate, INOVIO will provide the PHS a FCOI Report regarding any SFI that INOVIO identifies as conflicting subsequent to INOVIO's initial Report, above, within sixty days of INOVIO's identification of the conflicting interest.

Any FCOI Report shall include, but is not limited to the following:

- Grant/contract number;
- Name of the project director or principal Investigator;
- Name of the Investigator with the FCOI;
- The name of the entity with which the Investigator has the FCOI;
- Statement about whether the FCOI was Managed, reduced or eliminated;
- The nature of the FCOI, i.e. equity, consulting fees, travel reimbursement, honoraria;
- The value of the Financial Interest: \$0-\$4,999; \$5,000-\$9,999; \$10,000-\$19,000; amounts between \$20,000-\$100,00 by increments of \$20,000; amounts above \$100,000 by increments of \$50,000; or a statement that a value cannot be readily determined through reference to public prices or reasonable measures of fair market value.

- A description about how the FCOI relates to the research and the basis for INOVIO's determination that a SFI conflicts with such research.
- A description of the key elements of INOVIO's management plan, including
  - (i) Role and principle duties of the conflicted Investigator
  - (ii) Conditions of the Management plan
  - (iii) How the Management plan is designed to safeguard objectivity in the research project
  - (iv) Confirmation of the Investigator's agreement to the Management plan; and
  - (v) How the Management plan will be monitored to ensure Investigator compliance.

For any FCOI previously reported by INOVIO with regard to an ongoing PHS-funded Research project, INOVIO shall provide to the PHS an annual FCOI Report that addresses the status of the FCOI and any changes to the Management plan for the duration of the PHS-funded Research project.

## **11. Public Accessibility**

This Policy will be made available to the public via posting on INOVIO's website. In addition, to the extent required by law, INOVIO will make available to the public certain information regarding financial conflicts of interest of Senior/key personnel affiliated with INOVIO.

Adopted August 24, 2012