

AmpliPhi Biosciences Corp
Form PRE 14A
May 09, 2016

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant	<input checked="" type="checkbox"/>
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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 Pursuant to § 240.14a-12

AMPLIPHI BIOSCIENCES CORPORATION

(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.
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PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION

AMPLIPHI BIOSCIENCES CORPORATION

3579 Valley Centre Drive, Suite 100

San Diego, California 92130

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 20, 2016

Dear Shareholder:

You are cordially invited to attend the 2016 Annual Meeting of Shareholders of AmpliPhi Biosciences Corporation, a Washington corporation (“AmpliPhi” or the “Company”). The meeting will be held on Monday, June 20, 2016 at 9:00 a.m. local time at the offices of Cooley LLP located at 4401 Eastgate Mall, San Diego, California 92121 for the following purposes:

1. To elect two Class I Directors of the Company, one Class II Director of the Company and one Class III Director of the Company.
2. Approval of the AmpliPhi 2016 Equity Incentive Plan.
3. Approval of the AmpliPhi 2016 Employee Stock Purchase Plan.
4. Approval of the Company’s reincorporation in the State of Delaware, to be effected through a merger with and into a newly formed and wholly owned Delaware subsidiary.
5. Approval of the issuance by the Company of up to an aggregate of 1,037,053 shares of common stock as and to the extent required to be issued pursuant to the terms and conditions of that certain Common Stock Issuance Agreement, dated April 8, 2016, by and among the Company and certain former holders of the Company’s Series B Convertible Preferred Stock.

6. Approval of the issuance by the Company of up to an aggregate of 4,706,000 shares of common stock and/or warrants to purchase common stock in a financing that does not constitute a public offering under NYSE MKT rules, for gross sale proceeds of up to \$12,000,000 and at a discount to the then-current market value of the Company's Common Stock not to exceed 15%.
7. Ratification of the Audit Committee's selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016.
8. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

[continued on next page]

The record date for the meeting is May , 2016. Only shareholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Meeting of Shareholders to be held on June 20, 2016 at 9:00 a.m. local time at the offices of Cooley LLP located at 4401 Eastgate Mall, San Diego, California 92121

The proxy statement and annual report to shareholders are available at www.ampliphbio.com/investor-relations.html.

By Order of the Board of Directors,

Jeremy Curnock Cook
Chairman of the Board of Directors

San Diego, California

May , 2016

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy, or vote over the telephone or the internet as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) has been provided for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

AMPLIPHI BIOSCIENCES CORPORATION

3579 Valley Centre Drive, Suite 100

San Diego, California 92130

PROXY STATEMENT

FOR THE 2016 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 20, 2016

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

We have sent you these proxy materials because the Board of Directors (sometimes referred to as the “Board”) of AmpliPhi Biosciences Corporation (sometimes referred to as the “Company” or “AmpliPhi”) is soliciting your proxy to vote at the 2016 Annual Meeting of Shareholders (the “annual meeting” or the “meeting”), including at any adjournments or postponements of the meeting. You are invited to attend the annual meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card or follow the instructions below to submit your proxy over the telephone or through the internet.

We intend to mail these proxy materials on or about May , 2016 to all shareholders of record entitled to vote at the annual meeting.

How do I attend the annual meeting?

The meeting will be held on Monday, June 20, 2016 at 9:00 a.m. local time at the offices of Cooley LLP located at 4401 Eastgate Mall, San Diego, California 92121. Directions to the annual meeting may be found at www.ampliphio.com/investor-relations.html. Information on how to vote in person at the annual meeting is discussed below.

Who can vote at the annual meeting?

Only shareholders of record at the close of business on May 14, 2016 will be entitled to vote at the annual meeting. On this record date, there were 10,000,000 shares of common stock outstanding and entitled to vote.

Shareholder of Record: Shares Registered in Your Name

If on May 14, 2016 your shares were registered directly in your name with AmpliPhi's transfer agent, Computershare, Inc., then you are a shareholder of record. As a shareholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the internet as instructed below to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on May 14, 2016 your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in "street name" and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are seven matters scheduled for a vote:

Election of the four nominees for director named in this proxy statement, consisting of two Class I directors, one Class II director and one Class III director, to hold office until our 2019 Annual Meeting of Shareholders, 2017 Annual Meeting of Shareholders and 2018 Annual Meeting of Shareholders, respectively;

1.

· Approval of the AmpliPhi 2016 Equity Incentive Plan;

· Approval of the AmpliPhi 2016 Employee Stock Purchase Plan;

· Approval of the Company's reincorporation in the State of Delaware, to be effected through a merger with and into a newly formed and wholly owned Delaware subsidiary;

· Approval of the issuance by the Company of up to an aggregate of 1,037,053 shares of common stock as and to the extent required to be issued pursuant to the terms and conditions of that certain Common Stock Issuance Agreement, dated April 8, 2016, by and among the Company and certain former holders of the Company's Series B Convertible Preferred Stock;

· Approval of the issuance by the Company of up to an aggregate of 4,706,000 shares of common stock and/or warrants to purchase common stock in a financing that does not constitute a public offering under NYSE MKT rules, for gross sale proceeds of up to \$12,000,000 and at a discount to the then-current market value of the Company's Common Stock not to exceed 15%; and

· Ratification of the Audit Committee's selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016.

What if another matter is properly brought before the meeting?

The Board of Directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on those matters in accordance with their best judgment.

How do I vote?

You may either vote "For" all the nominees to the Board of Directors or you may "Withhold" your vote for any nominee you specify. For each of the other matters to be voted on, you may vote "For" or "Against" or abstain from voting.

The procedures for voting are fairly simple:

Shareholder of Record: Shares Registered in Your Name

If you are a shareholder of record, you may vote in person at the annual meeting, vote by proxy over the telephone, vote by proxy using the enclosed proxy card or vote by proxy through the internet. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

To vote in person, come to the annual meeting and we will give you a ballot when you arrive.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the annual meeting, we will vote your shares as you direct.

To vote over the telephone, dial toll-free 1-800-652-8683 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 p.m. Eastern Time on June 19, 2016 to be counted.

To vote through the internet, go to www.envisionreports.com/APHB to complete an electronic proxy card. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 p.m. Eastern Time on June 19, 2016 to be counted.

2.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a voting instruction form with these proxy materials from that organization rather than from AmpliPhi. Simply complete and mail the voting instruction form to ensure that your vote is counted. Alternatively, you may vote by telephone or over the internet as instructed by your broker or bank. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

We provide internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you owned as of the close of business on May 11, 2016.

What happens if I do not vote?

Shareholder of Record: Shares Registered in Your Name

If you are a shareholder of record and do not vote by completing your proxy card, by telephone, through the internet or in person at the annual meeting, your shares will not be voted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner and do not instruct your broker, bank, or other agent how to vote your shares, the question of whether your broker or nominee will still be able to vote your shares depends on whether the New York

Stock Exchange deems the particular proposal to be a “routine” matter. Brokers and nominees can use their discretion to vote “uninstructed” shares with respect to matters that are considered to be “routine,” but not with respect to “non-routine” matters. Under the rules and interpretations of the New York Stock Exchange, “non-routine” matters are matters that may substantially affect the rights or privileges of shareholders, such as mergers, shareholder proposals, elections of directors (even if not contested), and certain corporate governance proposals, even if management-supported. Accordingly, your broker or nominee may not vote your shares on Proposals 1, 2, 3, 4, 5 or 6 without your instructions, but may vote your shares on Proposal 7 even in the absence of your instruction.

What if I return a proxy card or otherwise vote but do not make specific choices?

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable: “For” Proposal 1, the election of all four nominees for director; “For” Proposal 2, approval of the AmpliPhi 2016 Equity Incentive Plan; “For” Proposal 3, approval of the AmpliPhi 2016 Employee Stock Purchase Plan; “For” Proposal 4, approval of the Company’s reincorporation in the State of Delaware; “For” Proposal 5, approval of the issuance by the Company of up to an aggregate of 1,037,053 shares of common stock, as and to the extent required to be issued pursuant to a certain Common Stock Issuance Agreement; “For” Proposal 6, approval of the issuance by the Company of up to an aggregate of 4,706,000 shares of common stock and/or warrants to purchase common stock in a non-public financing for gross sale proceeds of up to \$12,000,000 and at a discount to the then-current market value of the common stock not to exceed 15%; and “For” Proposal 7, ratification of the selection of Ernst & Young LLP as the Company’s independent registered public accounting firm. If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees and Georgeson LLC may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies, Georgeson LLC will be paid its customary fee of approximately \$10,000, plus out-of-pocket expenses if it solicits proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

3.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on the proxy cards in the proxy materials to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Shareholder of Record: Shares Registered in Your Name

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

- You may submit another properly completed proxy card with a later date.
- You may grant a subsequent proxy by telephone or through the internet.

You may send a timely written notice that you are revoking your proxy to our Secretary at AmpliPhi Biosciences Corporation, 3579 Valley Centre Drive, Suite 100, San Diego, California 92130.

You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

Your most current proxy card or telephone or internet proxy is the one that is counted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

When are shareholder proposals and director nominations due for next year's annual meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by 2017, to our Secretary at AmpliPhi Biosciences Corporation, 3579 Valley Centre Drive, Suite 100, San Diego, California 92130.

If Proposal 4 is approved at the annual meeting and we reincorporate in the State of Delaware, and if you wish to submit a proposal (including a director nomination) that is not to be included in next year's proxy materials, your proposal generally must be submitted in writing to the same address no later than March 22, 2017 but no earlier than February 20, 2017. Please review our bylaws to be adopted if Proposal 4 is approved at the annual meeting, attached as Appendix E to this proxy statement, which contain additional requirements regarding advance notice of shareholder proposals and nominations.

If Proposal 4 is not approved at the annual meeting, and you wish to submit a proposal (including a director nomination) that is not to be included in next year's proxy materials, your proposal generally must be submitted in writing to the same address not fewer than 60 nor more than 90 days prior to the date approved by the Board of Directors to hold the 2017 Annual Meeting of Shareholders; provided, that if we provide less than 60 days' notice of such date, your proposal (including a director nomination) must be received by our Secretary not later than the tenth day following the day on which the notice of the date of the 2017 Annual Meeting of Shareholders is mailed or publicly disclosed. Please review our current bylaws, which contain additional requirements regarding advance notice of shareholder proposals and nominations.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count, for the proposal to elect directors, votes "For," "Withhold" and broker non-votes; and, with respect to other proposals, votes "For" and "Against," abstentions and, if applicable, broker non-votes. Under the rules of the NYSE MKT, abstentions are considered to be votes "cast" and will have the same effect as "Against" votes for each of Proposals 2, 3, 4, 5, 6 and 7. Broker non-votes will not be counted towards the vote total for any proposal, except Proposal 4, for which broker non-votes will have the same effect as "Against" votes.

4.

What are “broker non-votes”?

As discussed above, when a beneficial owner of shares held in “street name” does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed by the New York Stock Exchange to be “non-routine,” the broker or nominee cannot vote the shares. These unvoted shares are counted as “broker non-votes.”

How many votes are needed to approve each proposal?

The following table summarizes the minimum vote needed to approve each proposal and the effect of abstentions and broker non-votes.

Proposal Number	Proposal Description	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes
1	Election of Directors	The four nominees receiving the most “For” votes will be elected to the Board of Directors.	None	None
2	Approval of the AmpliPhi 2016 Equity Incentive Plan	The number of shares that vote “For” the proposal must exceed the number of shares that vote “Against” the proposal.	Against	None
3	Approval of the AmpliPhi 2016 Employee Stock Purchase Plan	The number of shares that vote “For” the proposal must exceed the number of shares that vote “Against” the proposal.	Against	None
4	Approval of the Company’s reincorporation in the State of Delaware, to be effected through a merger with and into a newly formed and wholly owned Delaware subsidiary	“For” votes from the holders of at least 51% of the shares outstanding on the record date.	Against	Against
5	Approval of the issuance by the Company of up to an aggregate of 1,037,053 shares of common stock as and to the extent required to be issued pursuant to the terms of that certain Common Stock Issuance Agreement, dated April 8, 2016, by and among the	The number of shares that vote “For” the proposal must exceed the number of shares that vote “Against” the proposal.	Against	None

Company and certain former holders of
the Company's Series B convertible
preferred stock

5.

Proposal Number	Proposal Description	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes
6	Approval of the issuance by the Company of up to an aggregate of 4,706,000 shares of common stock and/or warrants to purchase common stock in a financing that does not constitute a public offering under NYSE MKT rules, for gross sale proceeds of up to \$12,000,000 and at a discount to the then-current market value of the Company's Common Stock not to exceed 15%	The number of shares that vote "For" the proposal must exceed the number of shares that vote "Against" the proposal.	Against	None
7	Ratification of the Audit Committee's selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016	The number of shares that cast a vote "For" the proposal must exceed the number of shares that cast a vote "Against" the proposal.	Against	None

What is the quorum requirement?

A quorum of shareholders is necessary to hold a valid meeting. A quorum will be present if shareholders holding at least a majority of the outstanding shares entitled to vote on a matter and be counted collectively upon such matter are present at the meeting in person or represented by proxy. On the record date, there were _____ shares outstanding and entitled to vote. Thus, the holders of _____ shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares at the meeting in person or represented by proxy may adjourn the meeting to another date.

How can I find out the results of the voting at the annual meeting?

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Preliminary voting results will be announced at the annual meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the annual meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

What proxy materials are available on the internet?

The proxy statement, Form 10-K and annual report to shareholders are available at www.ampliphio.com/investor-relations.html.

6.

Proposal 1

Election Of Directors

AmpliPhi's Board of Directors is divided into three classes. Each class consists, as nearly as possible, of one-third of the total number of directors, and each class has a three-year term. Under our current bylaws, any vacancy occurring on the Board (other than a director removed for cause by the shareholders) may be filled by the shareholders, the Board or, if the directors in office constitute fewer than a quorum, by the affirmative vote of a majority of the remaining directors. A vacancy occurring as a result of the removal of a director for cause may be filled only by a vote of the holders of two-thirds of the shares then entitled to elect the director removed.

The Board of Directors presently has seven members. There are two directors in Class I, whose term of office expires in 2016. The two nominees for Class I director are Louis Drapeau and Michael S. Perry, Ph.D. Each of the Class I director nominees is currently a director of the Company who was previously elected by the shareholders. If elected at the annual meeting, each of these Class I director nominees would serve until the 2019 Annual Meeting of Shareholders and until his successor has been duly elected and qualified, or, if sooner, until the director's death, resignation or removal.

Pursuant to Washington law and our current bylaws, the term of a director elected by the Board to fill a vacancy expires at the next shareholders' meeting at which directors are elected, regardless of whether the term of any other directors in the same class expire at a later date. Vijay Samant and Paul C. Grint, M.D. were elected by the Board in November 2015 to serve as a Class II director and a Class III director, respectively. Consequently, Mr. Samant's and Dr. Grint's term of office will expire at the annual meeting.

If elected at the annual meeting, Mr. Samant will serve as a director until the 2017 Annual Meeting of Shareholders and until his successor has been duly elected and qualified, or until his earlier death, resignation or removal.

If elected at the annual meeting, Dr. Grint will serve as a director until the 2018 Annual Meeting of Shareholders and until his successor has been duly elected and qualified, or until his earlier death, resignation or removal.

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. Accordingly, the four nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the four nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead be voted for the

election of a substitute nominee proposed by the Board of Directors. Each person nominated for election has agreed to serve if elected. The Company's management has no reason to believe that any nominee will be unable to serve.

The Board of Directors Recommends

a Vote "for" Each Named Nominee

The following table sets forth information for our current directors:

Name	Age	Position
M. Scott Salka	54	Chief Executive Officer, Director
Wendy S. Johnson	64	Interim Chief Operating Officer, Director
Jeremy Curnock Cook ⁽²⁾ ⁽³⁾	66	Chairman of the Board
Louis Drapeau ⁽¹⁾ ⁽³⁾	72	Director
Michael S. Perry, Ph.D. ⁽¹⁾ ⁽²⁾ ⁽³⁾	56	Director
Vijay B. Samant ⁽¹⁾	63	Director
Paul C. Grint, M.D. ⁽²⁾	58	Director

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Nominating and Corporate Governance Committee.

7.

The Nominating and Corporate Governance Committee seeks to assemble a Board of Directors that, as a whole, possesses the appropriate balance of professional and industry knowledge, financial expertise and high-level management experience necessary to oversee and direct the Company's business. To that end, the Nominating and Corporate Governance Committee has identified and evaluated nominees in the broader context of the Board of Directors' overall composition, with the goal of recruiting members who complement and strengthen the skills of other members and who also exhibit integrity, collegiality, sound business judgment and other qualities that the Nominating and Corporate Governance Committee views as critical to effective functioning of the Board of Directors. The brief biographies below include information regarding the specific and particular experience, qualifications, attributes or skills of each nominee that led the Nominating and Corporate Governance Committee to recommend that person as a nominee. However, each of the members of the Nominating and Corporate Governance Committee may have a variety of reasons why he believes a particular person would be an appropriate nominee for the Board of Directors, and these views may differ from the views of other members.

Nominees for Election for a Three-year Term Expiring at the 2019 Annual Meeting

Louis Drapeau has served as a member of our Board of Directors since March 2011. Since October 2007 through February 2016, Mr. Drapeau has served in various management positions of InSite Vision, a traded ophthalmology drug development company that was acquired in October 2015, including Vice President and Chief Financial Officer and Chief Executive Officer from November 2008 to December 2010. Prior to InSite Vision, he served as Chief Financial Officer, Senior Vice President, Finance, at Nektar Therapeutics, a biopharmaceutical company, from January 2006 to August 2007. Prior to Nektar, he served as Acting Chief Executive Officer from August 2004 to May 2005 and as Senior Vice President and Chief Financial Officer from August 2002 to August 2005 for BioMarin Pharmaceutical Inc. Previously, Mr. Drapeau spent 30 years at Arthur Andersen, including 19 years as an Audit Partner in Arthur Andersen's Northern California Audit and Business Consulting practice, which included 12 years as Managing Partner. Since February 2007, Mr. Drapeau has served as a member of the board of Bio-Rad Laboratories, Inc., a publicly traded pharmaceutical company. Mr. Drapeau received a B.S. in mechanical engineering and an M.B.A. from Stanford University. The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Drapeau's experience with respect to accounting and financial matters qualifies him to serve on our Board of Directors.

Michael S. Perry, D.V.M., Ph.D. has served as a member of our Board of Directors since November 2005. Since January of 2016 Dr. Perry has served as Senior Vice President and Chief Scientific Officer of Business Development and Licensing for Novartis AG. From September 2014 to January 2016 he served as Chief Scientific Officer for the Cell and Gene Therapy Unit of Novartis Pharmaceuticals Corporation and from October 2012 to September 2014, he served as Global Head of Stem Cell Therapy and Vice President of the Integrated Hospital Care Franchise for Novartis Pharmaceuticals Corporation. Prior to rejoining Novartis in October 2012, he was a Venture Partner with Bay City Capital, a venture capital firm, from 2005 to September 2012. While serving in this capacity, he concurrently served as President and Chief Medical Officer at Poniard Pharmaceuticals, Inc., a publicly held drug development company, from 2009 to 2011. Dr. Perry also previously served as Chief Development Officer of VIA Pharmaceuticals, Inc., a publicly held biotechnology company, from 2005 to 2009. Dr. Perry served as Chairman and Chief Executive Officer of Extropy Pharmaceuticals, Inc., a privately held pediatric specialty pharmaceutical

company, from 2003 to 2005. From 2002 to 2003, Dr. Perry served as President and Chief Executive Officer of Pharsight Corporation, a publicly held software and consulting services firm. From 2000 to 2002, Dr. Perry served as Global Head of Research and Development for Baxter Healthcare's BioScience Division (now Baxalta). From 1997 to 2000, Dr. Perry served as President and Chief Executive Officer of SyStemix Inc. and Genetic Therapy Inc., two wholly-owned subsidiaries of Novartis Pharma. Dr. Perry served as Vice President of Regulatory Affairs for Novartis from 1994 to 1997. Prior to 1994, Dr. Perry held various management positions with Syntex Corporation (now Roche), Schering-Plough Corporation (now Merck) and BioResearch Laboratories, Inc. Dr. Perry received a Doctor of Veterinary Medicine (DVM), a Ph.D. in biomedical science-pharmacology specialty and an Honours B.Sc. in physics from the University of Guelph in Ontario, Canada. He is also a graduate of the Harvard Business School International Management Forum. Dr. Perry has served as Adjunct Professor in the Gates Center for Regenerative Medicine at the University of Colorado School of Medicine, Anschutz Medical Campus since November 2013. He has served as a member of the board of directors of Arrowhead Research Corporation since December 2011 and as a member of the board of directors of Avita Medical Ltd since February 2013. The Nominating and Corporate Governance Committee and the Board of Directors believe that Dr. Perry's substantial scientific and medical knowledge, as well as his operational and investing experience, qualifies him to serve on our Board of Directors.

8.

Nominee for Election for a One-year Term Expiring at the 2017 Annual Meeting

Vijay B. Samant has served as a member of our Board of Directors since November 2015. Since November 2000, Mr. Samant has served as President and Chief Executive Officer of Vical, Inc., a developer of biopharmaceutical products for the prevention and treatment of chronic life-threatening infectious diseases. Prior to joining Vical, he had 23 years of diverse U.S. and international sales, marketing, operations, and business development experience with Merck. From 1998 to 2000, he was Chief Operating Officer of the Merck Vaccine Division. From 1990 to 1998, he served in the Merck Manufacturing Division as Vice President of Vaccine Operations, Vice President of Business Affairs and Executive Director of Materials Management. Mr. Samant holds a master's degree in management studies from the Sloan School of Management at the Massachusetts Institute of Technology, a master's degree in chemical engineering from Columbia University, and a bachelor's degree in chemical engineering from the University of Bombay, University Department of Chemical Technology. Mr. Samant has been a member of the board of directors of Vical since 2000, and was a member of the board of directors of Raptor Pharmaceutical Corporation from 2011 to 2014, and was a member of the board of directors for BioMarin Pharmaceutical Inc. from 2002 to 2004. Mr. Samant was a Director of the Aeras Global TB Vaccine Foundation from 2001 to 2010, a member of the Board of Trustees for the National Foundation for Infectious Diseases from 2003 to 2012, and a member of the Board of Trustees for the International Vaccine Institute in Seoul, Korea from 2008 to 2012. The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Samant's significant experience leading biopharmaceutical product development companies, as well his significant sales, marketing, operations, and business development expertise within the biotechnology and pharmaceutical industries, qualifies him to serve on our Board of Directors.

Nominee for Election for a Two-year Term Expiring at the 2018 Annual Meeting

Paul C. Grint, M.D. has served as a member of our Board of Directors since November 2015. Since June 2015, Dr. Grint has served as President and Chief Executive Officer of Regulus Therapeutics Inc., a company focused on the discovery and development of microRNA therapeutics. From June 2014 until his appointment as President and Chief Executive Officer, Dr. Grint served as Regulus Therapeutics' Chief Medical Officer. From February 2011 to June 2014, Dr. Grint served as the President of Cerexa, Inc., a wholly-owned subsidiary of Forest Laboratories, Inc., a pharmaceutical company, where he was responsible for the oversight of anti-infective product development. Before that, Dr. Grint served as Senior Vice President of Research at Forest Research Institute, Inc., the scientific development subsidiary of Forest Laboratories, Inc., from January 2009 to February 2011, as Chief Medical Officer of Kalypsys, Inc., a biopharmaceutical company, from 2006 to 2008, and as Senior Vice President and Chief Medical Officer of Zephyr Sciences, Inc., a biopharmaceutical company, during 2006. Dr. Grint also previously served in similar executive level positions at Pfizer Inc., IDEC Pharmaceuticals Corporation, and Schering-Plough Corporation. Dr. Grint has served on the board of directors of Synedgen, a privately-held bio-pharmaceutical company, since December 2014. Dr. Grint also served on the board of directors of Illumina Inc. from April 2005 to May 2013. Dr. Grint received a B.S. in Medical Science from St. Mary's Hospital in London and his medical degree from St. Bartholomew's Hospital Medical College at the University of London. Dr. Grint is a Fellow of the Royal College of Pathologists, a member of numerous professional and medical societies, and the author or co-author of over 50 scientific publications. The Nominating and Corporate Governance Committee and the Board of Directors believe that Dr. Grint's significant experience in leading biotechnology and pharmaceutical companies, as well his significant

experience in drug development and in the biotechnology industry, qualifies him to serve on our Board of Directors.

The following is a brief biography, and a discussion of the specific experience, qualifications, attributes or skills of each director whose term will continue after the 2016 Annual Meeting of Shareholders.

Class II Directors Continuing in Office Until the 2017 Annual Meeting

Wendy S. Johnson has served as our Interim Chief Operating Officer since September 2014 and has served as a member of our Board of Directors since May 2014. From 2005 to January 2014, Ms. Johnson served as a venture partner at ProQuest Investments, a venture capital firm. From 2006 to January 2014, Ms. Johnson served as the President and Chief Executive Officer of Aires Pharmaceuticals, a ProQuest portfolio company. Prior to joining ProQuest, she served as Senior Vice President, Corporate Development, at Salmedix Inc., and she held senior business and corporate development positions at WomenFirst Healthcare, Prizm Pharmaceuticals (Selective Genetics Inc.), Cytel Corp., Synbiotics Corp., and Murex Corp. (Cambridge U.K.). Additionally, Ms. Johnson served as Assistant Director with the Center for Devices and Radiological Health at the U.S. Food and Drug Administration. Ms. Johnson received an M.B.A. from Loyola University, an M.S. in clinical microbiology from the Hahnemann Medical School and a B.S. in microbiology from the University of Maryland. The Nominating and Corporate Governance Committee and the Board of Directors believe that Ms. Johnson's significant experience in pharmaceutical drug development and business development, as well her strong background in microbiology, qualifies her to serve on our Board of Directors.

9.

Class III Directors Continuing in Office Until the 2018 Annual Meeting

M. Scott Salka has served as our Chief Executive Officer and a member of our Board of Directors since May 18, 2015. Mr. Salka served as the Chief Executive Officer of Aspyrian Therapeutics Inc., a company focused on developing near-infrared photoimmunotherapy therapies, from March 2010 to May 2015. Prior to that, Mr. Salka served as the Chief Executive Officer of Ambit Biosciences Corporation, a publicly traded company that developed a novel platform for discovering small molecule drugs for oncology, autoimmune and inflammatory diseases, that was acquired by Daiichi Sankyo in 2014. During Mr. Salka's tenure at Ambit, he was responsible for transforming the company from a service contract business to a fully-capable drug discovery and development enterprise. Prior to joining Ambit in 2001, Mr. Salka served as the President and Chief executive officer of two privately-held genomics companies, Arcaris, Inc. and 454 Corporation that was sold to Roche in 2007. He also previously co-founded one of the first commercial genomics companies, Sequana Therapeutics, Inc., a pioneer in the effort to commercialize the international Human Genome Project. From February 2012 to March 2014, Mr. Salka served on the board of directors of Sorrento Therapeutics, Inc. and since 2009, Mr. Salka has served on the board of directors of San Diego State University College of Business Administration. He received his M.B.A. from Carnegie Mellon University and his B.S. in finance from San Diego State University. The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Salka's significant experience leading drug development companies, as well as his service as our Chief Executive Officer, qualifies him to serve on our Board of Directors.

Jeremy Curnock Cook has served as a member of our Board of Directors since July 1995 and as Chairman of the board of directors since February 1998. From September 2014 to May 2015, he served as our Interim Chief Executive Officer. Mr. Curnock Cook has served as Chairman of International Bioscience Managers Limited, a corporate and investment advisory firm, since 2000, and also currently serves as Managing Director of Bioscience Managers Pty Ltd, a medical sciences fund manager. From 1987 to 2000, Mr. Curnock Cook was a director of Rothschild Asset Management Limited, a corporate and investment advisory company, and was responsible for the Rothschild Bioscience Unit. Mr. Curnock Cook founded the International Biochemicals Group in 1975, which was sold in 1985 to Royal Dutch Shell, where he served as Managing Director until 1987. He also serves as a member of the board of directors of Avita Medical Ltd, Nexus6 Ltd and SeaDragon Ltd, all private companies. Mr. Curnock Cook received an M.A. in natural sciences from Trinity College, Dublin. The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Curnock Cook's significant experience as a board member of multiple biotechnology companies qualifies him to serve on our Board of Directors.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Independence of The Board of Directors

As required under the NYSE MKT listing standards, a majority of the members of a listed company's Board of Directors must qualify as "independent," as affirmatively determined by the Board of Directors. Our Board of Directors consults with the Company's counsel to ensure that the Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of NYSE MKT, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent auditors, the Board has affirmatively determined that all of our directors are independent directors within the meaning of the applicable NYSE MKT listing standards, other than Mr. Salka and Ms. Johnson. In making this determination, the Board found that none of these directors or nominees for director had a material or other disqualifying relationship with the Company. The Board concluded that Mr. Salka and Ms. Johnson are not independent directors within the meaning of the applicable NYSE MKT listing standards rules given their roles as Chief Executive Officer and Interim Chief Operating Officer, respectively.

10.

Board Leadership Structure

Our Board of Directors has a Chairman, Jeremy Curnock Cook, who has authority, among other things, to call and preside over board meetings, to set meeting agendas and to determine materials to be distributed to the Board. Accordingly, the Chairman has substantial ability to shape the work of the Board of Directors. We have a separate chair for each committee of the Board. As a general policy, the Board believes that separation of the positions of Chairman and Chief Executive Officer reinforces the independence of the Board of Directors from management, creates an environment that encourages objective oversight of management's performance and enhances the effectiveness of the Board of Directors as a whole. As such, Mr. Salka serves as our Chief Executive Officer while Mr. Cook serves as our Chairman of the Board of Directors but is not an officer. We expect and intend the positions of Chairman of the Board of Directors and Chief Executive Officer to continue to be held by separate individuals in the future.

Role of the Board in Risk Oversight

The Audit Committee of our Board of Directors is primarily responsible for overseeing our financial risk management processes on behalf of the Board. Going forward, we expect that the Audit Committee will receive reports from management at least quarterly regarding our assessment of risks. In addition, the audit Committee reports regularly to the full Board, which also considers our risk profile. The Audit Committee and the Board focus on the most significant risks we face and our general risk management strategies. While the Board oversees our risk management, our management is responsible for day-to-day risk management processes. The Board expects management to consider risk and risk management in each business decision, to proactively develop and monitor risk management strategies and processes for day-to-day activities and to effectively implement risk management strategies adopted by the Audit Committee and the Board. We believe this division of responsibilities is the most effective approach for addressing the risks we face and that our board of directors leadership structure, which also emphasizes the independence of our board of directors in its oversight of its business and affairs, supports this approach.

Meetings of The Board of Directors

The Board of Directors met eight times during the last fiscal year. Each Board member attended 75% or more of the total number of meetings of the Board and of the committees on which he or she served, held during the portion of the last fiscal year for which he or she was a director or committee member.

As required under applicable NYSE MKT listing standards, during 2015, the Company's independent directors met on a regular basis in executive session without the presence of non-independent directors and management.

Information Regarding Committees of the Board of Directors

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The following table provides membership and meeting information during 2015 for each of the Board committees:

Name	Audit	Compensation	Nominating and Corporate Governance
Jeremy Curnock Cook ⁽¹⁾	X	X	X*
Louis Drapeau ⁽²⁾	X*	X	X
Michael S. Perry, Ph.D.	X	X*	X
Julian P. Kirk ⁽³⁾			
Vijay B. Samant ⁽⁴⁾	X		
Paul C. Grint, M.D. ⁽⁵⁾		X	
M. Scott Salka			
Wendy S. Johnson			
Total meetings during 2015	5	2	0

* Committee Chairperson

(1) Mr. Curnock Cook resigned from the Audit Committee in January 2016.

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- (2) Mr. Drapeau resigned from the Compensation Committee in January 2016.
- (3) Mr. Kirk resigned from the Board in April 2016.
- (4) Mr. Samant was appointed to the Audit Committee in November 2015.
- (5) Dr. Grint was appointed to the Compensation Committee in November 2015.

Below is a description of each committee of the Board of Directors. The Board of Directors has determined that each member of each committee meets the applicable NYSE MKT rules and regulations regarding “independence” and each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to the Company.

Audit Committee

The Audit Committee of the Board of Directors was established by the Board in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, to oversee the Company’s corporate accounting and financial reporting processes and audits of its financial statements. The functions of this Audit Committee include, among other things:

- evaluating the performance, independence and qualifications of our independent auditors and determining whether to retain our existing independent auditors or engage new independent auditors and to present the committee’s conclusion to our Board of Directors;
- reviewing and approving the engagement of our independent auditors to perform audit services and any permissible non-audit services;
- monitoring the rotation of partners of our independent auditors on our audit engagement team as required by law;
- prior to engagement of any independent auditor, and at least annually thereafter, reviewing relationships that may reasonably be thought to bear on their independence, and assessing and otherwise taking the appropriate action to oversee the independence of our independent auditor;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and discussing the

statements and reports with our independent auditors and management;

· reviewing with our independent auditors and management significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our internal control over financial reporting;

· reviewing with management and our auditors any earnings announcements and other public announcements regarding material developments;

· establishing procedures for the receipt, retention and treatment of complaints received by us regarding internal accounting controls, accounting or auditing matters and other matters;

· preparing the report that the SEC requires in our annual proxy statement;

· reviewing and providing oversight of any related-person transactions in accordance with our related-person transactions policy and reviewing and monitoring compliance with legal and regulatory responsibilities, including our code of business conduct and ethics;

· reviewing on a periodic basis our investment policy; and

· reviewing and evaluating on an annual basis its own performance, including its compliance with its charter.

Our Audit Committee consists of Louis Drapeau, Michael S. Perry and Vijay Samant. The Board of Directors reviews the NYSE MKT listing standards definition of independence for Audit Committee members on an annual basis and has determined that each of the members of our Audit Committee satisfies the NYSE MKT listing requirements and SEC independence requirements. Mr. Drapeau serves as the chair of our Audit Committee.

Our Board of Directors has determined that Mr. Drapeau qualifies as an Audit Committee financial expert within the meaning of SEC regulations. In making this determination, our Board of Directors has considered Mr. Drapeau's formal education and previous and current experience in financial roles. Both our independent registered public accounting firm and management periodically meet privately with our Audit Committee.

The Audit Committee charter can be found on our website at www.ampliphio.com/corporate-governance.htm.

Report of the Audit Committee of the Board of Directors

The material in this report 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 of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

The Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2015 with management of the Company. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board, or the PCAOB. The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent accountants’ communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the accounting firm’s independence. Based on the foregoing, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Mr. Louis Drapeau
Dr. Michael S. Perry
Mr. Vijay Samant

Compensation Committee

Our Compensation Committee consists of Jeremy Curnock Cook, Paul C. Grint and Michael S. Perry. Dr. Perry serves as the chair of our Compensation Committee. Our Board of Directors has determined that each of the members of our Compensation Committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act, as defined pursuant to Section 162(m) of the Code, and satisfies the NYSE MKT listing independence requirements. The functions of this committee include, among other things:

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reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full Board of Directors regarding) our overall compensation strategy and policies;

reviewing and approving (or if it deems appropriate, making recommendations to the full Board of Directors regarding) the compensation and other terms of employment of our executive officers;

reviewing and approving (or if it deems appropriate, making recommendations to the full Board of Directors regarding) performance goals and objectives relevant to the compensation of our executive officers and assessing their performance against these goals and objectives;

reviewing and approving (or if it deems it appropriate, making recommendations to the full Board of Directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;

evaluating risks associated with our compensation policies and practices and assessing whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us;

reviewing making recommendations to the full Board of Directors regarding the type and amount of compensation to be paid or awarded to our non-employee board members;

establishing policies with respect to votes by our shareholders to approve executive compensation as required by Section 14A of the Exchange Act and determining our recommendations regarding the frequency of advisory votes on executive compensation, to the extent required by law;

reviewing and assessing the independence of compensation consultants, legal counsel and other advisors as required by Section 10C of the Exchange Act;

administering our equity incentive plans;

establishing policies with respect to equity compensation arrangements;

reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;

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- reviewing and approving (or if it deems appropriate, making recommendations to the full Board of Directors regarding) the terms of any employment agreements, severance arrangements, change-of-control protections and any other compensatory arrangements for our executive officers;
- reviewing the adequacy of its charter on a periodic basis;
- reviewing with management and approving our disclosures, if any, under the caption “Compensation Discussion and Analysis” and related tables in our periodic reports or proxy statements to be filed with the SEC;
- preparing the report that the SEC requires in our annual proxy statement; and
- reviewing and assessing on an annual basis its own performance.

Compensation Committee Processes and Procedures

Typically, the Compensation Committee meets quarterly and with greater frequency if necessary. The agenda for each meeting is usually developed by the Chair of the Compensation Committee, in consultation with the Chief Executive Officer. The Compensation Committee meets regularly in executive session. However, from time to time, various members of management and other employees as well as outside advisors or consultants may be invited by the Compensation Committee to make presentations, to provide financial or other background information or advice or to otherwise participate in Compensation Committee meetings. The Chief Executive Officer and Interim Chief Operating Officer may not participate in, or be present during, any deliberations or determinations of the Compensation Committee regarding his or her compensation or individual performance objectives. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities and personnel of the Company. In addition, under the charter, the Compensation Committee has the authority to obtain, at the expense of the Company, advice and assistance from compensation consultants and internal and external legal, accounting or other advisors and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. The Compensation Committee has direct responsibility for the oversight of the work of any consultants or advisers engaged for the purpose of advising the Committee. In particular, the Compensation Committee has the sole authority to retain, in its sole discretion, compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant’s reasonable fees and other retention terms. Under the charter, the Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the compensation committee, other than in-house legal counsel and certain other types of advisers, only after taking into consideration six factors, prescribed by the SEC and NYSE MKT, that bear upon the adviser’s independence; however, there is no requirement that any adviser be independent.

Historically, the Compensation Committee has made most of the significant adjustments to annual compensation, determined bonus and equity awards and established new performance objectives at one or more meetings held during

the first quarter of the year. However, the Compensation Committee also considers matters related to individual compensation, such as compensation for new executive hires, as well as high-level strategic issues, such as the efficacy of the Company's compensation strategy, potential modifications to that strategy and new trends, plans or approaches to compensation, at various meetings throughout the year. Generally, the Compensation Committee's process comprises two related elements: the determination of compensation levels and the establishment of performance objectives for the current year. For executives other than the Chief Executive Officer, the Compensation Committee solicits and considers evaluations and recommendations submitted to the Committee by the Chief Executive Officer. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the Compensation Committee, which determines any adjustments to his compensation as well as awards to be granted. For all executives and directors as part of its deliberations, the Compensation Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executives in various hypothetical scenarios, executive and director stock ownership information, company stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels and recommendations of the Compensation Committee's compensation consultant, if any, including analyses of executive and director compensation paid at other companies identified by the consultant.

The Compensation Committee charter can be found on our website at www.ampliphio.com/corporate-governance.htm.

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Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee of the Board of Directors is responsible for, among other things:

- identifying, reviewing and evaluating candidates to serve on our Board of Directors consistent with criteria approved by our Board of Directors;
- evaluating director performance on management and the board and applicable committees of the board and determining whether continued service on our Board of Directors is appropriate;
- evaluating, nominating and recommending individuals for membership on our Board of Directors;
- evaluating nominations by shareholders of candidates for election to our Board of Directors;
- considering and assessing the independence of members of our Board of Directors;
- developing a set of corporate governance policies and principles, periodically reviewing and assessing these policies and principles and their application and recommending to our Board of Directors any changes to such policies and principles;
- reviewing the adequacy of its charter on an annual basis; and
- annually evaluating the performance of the Nominating and Corporate Governance Committee.

Our Nominating and Corporate Governance Committee consists of Jeremy Curnock Cook, Louis Drapeau and Michael S. Perry. Our Board of Directors has determined that each of the members of this committee satisfies the NYSE MKT listing independence requirements. Mr. Curnock Cook serves as the chair of our Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee believes that candidates for director should, both individually and collectively, have the integrity, experience, judgment, commitment (including having sufficient time to devote to us and a sufficient level of participation), skills, diversity and expertise appropriate for our company. In assessing the

directors, both individually and collectively, the Nominating and Corporate Governance Committee may consider our current needs and the needs of our Board of Directors, to maintain a balance of knowledge, experience and capability in various areas. However, the Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. In the case of new director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee is independent for NYSE MKT purposes, which determination is based upon applicable NYSE MKT listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Corporate Governance Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board of Directors. The Nominating and Corporate Governance Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board of Directors by majority vote.

The Nominating and Corporate Governance Committee will consider director candidates recommended by shareholders. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates, including the criteria set forth above, based on whether or not the candidate was recommended by a shareholder. Shareholders who wish to recommend individuals for consideration by the Nominating and Corporate Governance Committee to become nominees for election to the Board may do so by delivering a written recommendation to the Secretary of the Company at 3579 Valley Centre Drive, San Diego, California 92130, no later than the close of business on the 90th day and no earlier than the 120th day prior to the one year anniversary of the preceding year's annual meeting of shareholders. Submissions must include the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and the number of shares of the Company's stock that are owned beneficially by such nominating shareholder as of the date the submission is made. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

The Nominating and Corporate Governance Committee charter can be found on our website at www.ampliphio.com/corporate-governance.html

Shareholder Communications With The Board Of Directors

The Company's Board has adopted a formal process by which shareholders may communicate with the Board or any of its directors. Shareholders who wish to communicate with the Board may do so by sending written communications addressed to the Secretary of the Company at AmpliPhi Biosciences Corporation, 3579 Valley Centre Drive, Suite 100, San Diego, California 92130. All communications will be compiled by the Secretary of the Company and submitted to the Board of Directors or the individual directors on a periodic basis. These communications will be reviewed by the Company's Secretary, who will determine whether the communication should be presented to the Board. The purpose of this screening is to allow the Board to avoid having to consider irrelevant or inappropriate communications (such as advertisements, solicitations and hostile communications). All communications directed to the Audit Committee in accordance with the Company's Open Door Policy for Reporting Complaints Regarding Accounting and Auditing Matters, discussed below, will be treated in accordance with that policy.

Any interested person may, however, communicate directly with the presiding director or the independent directors as a group. Persons interested in communicating directly with the independent directors regarding their concerns or issues may do so by addressing correspondence to a particular director, or to the independent directors generally, in care of AmpliPhi Biosciences Corporation at 3579 Valley Centre Drive, Suite 100, San Diego, California 92130. If no particular director is named, letters will be forwarded, depending upon the subject matter, to the Chair of the Audit, Compensation, or Nominating and Corporate Governance Committee.

Code of Ethics

We have adopted a code of ethics for directors, officers (including our principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics is available on our website at <http://www.ampliphio.com> under the Corporate Governance section of our Investor Relations page. We will promptly disclose on our website (i) the nature of any amendment to the policy that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions and (ii) the nature of any waiver, including an implicit waiver, from a provision of the policy that is granted to one of these specified individuals that is required to be disclosed pursuant to SEC rules and regulations, the name of such person who is granted the waiver and the date of the waiver.

Open Door Policy for Reporting Complaints Regarding Accounting and Auditing Matters

We have adopted an Open Door Policy for Reporting Complaints Regarding Accounting and Auditing Matters to facilitate the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as the confidential, anonymous submission by our employees of concerns regarding these matters. The Open Door Policy is available on our website at <http://www.ampliphio.com/corporate-governance.html>.

16.

Proposal 2

Approval of the

AmpliPhi Biosciences Corporation 2016 Equity Incentive Plan

Overview

On April 21, 2016, our Board of Directors approved our AmpliPhi Bioscience Corporation 2016 Equity Incentive Plan, or the 2016 Plan, subject to approval by our shareholders at the Annual Meeting. The 2016 Plan is intended as the successor plan to our 2013 Stock Incentive Plan, or 2013 Plan. If this Proposal 2 is approved, no additional equity grants may be made under the 2013 Plan.

Requested Shares

Subject to adjustment for certain changes in our capitalization, the aggregate number of shares of our common stock that may be issued under the 2016 Plan will not exceed the sum of (i) the number of unallocated shares remaining available for the grant of new awards under the 2013 Plan as of the effective date of the 2016 Plan (which is equal to 514,340 shares as of May 5, 2016), (ii) 1,000,000 new shares, and (iii) any Prior Plans' Returning Shares (as defined below in "Description of the 2016 Plan—Share Reserve"), as such shares become available from time to time.

Approval of the 2016 Plan by our shareholders will allow us to grant stock options and other equity awards at levels determined appropriate by our Board of Directors or Compensation Committee. The 2016 Plan will also allow us to utilize a broad array of equity incentives and performance cash incentives in order to secure and retain the services of our employees, directors and consultants, and to provide long-term incentives that align the interests of our employees, directors and consultants with the interests of our shareholders.

Why You Should Vote For the 2016 Plan

Key Plan Features

The 2016 Plan includes provisions that are designed to protect our shareholders' interests including:

No single trigger accelerated vesting upon change in control. The 2016 Plan does not provide for any automatic mandatory vesting of awards upon a change in control.

Awards subject to forfeiture/clawback. Awards granted under the 2016 Plan will be subject to recoupment in accordance with any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, we may impose other clawback, recovery or recoupment provisions in an award agreement, including a reacquisition right in respect of previously acquired shares or other cash or property upon the occurrence of cause.

No discounted stock options or stock appreciation rights. All stock options and stock appreciation rights granted under the 2016 Plan must have an exercise or strike price equal to or greater than the fair market value of our common stock on the date the stock option or stock appreciation right is granted.

Administration by independent committee. The 2016 Plan will be administered by the members of our Compensation Committee, all of whom are “non-employee directors” within the meaning of Rule 16b-3 under the Exchange Act and “outside directors” within the meaning of Section 162(m) of the Code.

Material amendments require shareholder approval. The 2016 Plan requires shareholder approval of any material revisions to the 2016 Plan.

Limit on non-employee director awards and other awards. As further described below, except in extraordinary circumstances, the maximum number of shares subject to stock awards granted during any calendar year to any of our non-employee directors, taken together with any cash fees paid by the Company to such non-employee director during such calendar year, may not generally exceed \$375,000 in total value (calculating the value of any such stock awards based on the grant date fair value of such stock awards for financial reporting purposes), or with respect to the calendar year in which the non-employee director is first appointed or elected, \$783,000 in total value. The 2016 Plan also contains other annual per-participant limits on stock options, stock appreciation rights and performance-based stock and cash awards.

We Intend to Recruit Additional Personnel to Facilitate the Growth of Our Business and Equity Awards Are an Important Part of Our Compensation Philosophy

The Board of Directors believes that the future success of the Company depends, in large part, upon the ability of the Company to implement our plans for future expansion and growth in light of our anticipated recruiting and retention needs and is necessary to maintain a competitive position in recruiting, retaining and motivating key personnel, consultants and advisors. The Board of Directors believes that the issuance of equity awards is a key element underlying our ability to recruit, retain and motivate key personnel, consultants and advisors, better aligns the interests of such persons with those of our shareholders, and is a substantial contributing factor to our success and the future growth of our business. Therefore, the Board of Directors believes that the approval of the 2016 Plan is in the best interests of the Company and its shareholders and recommends a vote in favor of this proposal.

If this Proposal 2 is adopted by our shareholders, the 2016 Plan will become effective upon the date of the Annual Meeting and no additional equity grants maybe made under our 2013 Plan. In the event that our shareholders do not approve this Proposal 2, the 2016 Plan will not become effective and our 2013 Plan will continue in its current form. However, we believe that the shares available for grant under the 2013 Plan will be insufficient to meet our anticipated recruiting and retention needs.

We Manage Our Equity Award Use Carefully and Our Dilution Is Reasonable

We manage our long-term shareholder dilution by limiting the number of equity awards granted annually. The Compensation Committee monitors our annual burn rate, dilution, and equity expense to ensure that we maximize shareholders' value by granting only the appropriate number of equity awards necessary to recruit, reward, and retain key personnel, consultants and advisors.

The following table provides certain additional information regarding our equity award program.

	As of December 31, 2015
Total shares subject to outstanding stock options	669,769
Total shares subject to full value awards	—
Weighted-average exercise price per share of outstanding stock options	\$ 8.68
Weighted-average remaining term of outstanding stock options	9.29 yrs
Total shares available for grant under the 2013 Plan	723,431
Total shares available for grant under other equity plans	—

As of May , 2016
(Record Date)

Total common stock outstanding
Closing price of common stock as reported on The NYSE MKT

Common measures of an equity incentive plan's cost include burn rate, dilution and overhang. The burn rate, or run rate, refers to how fast a company uses the supply of shares authorized for issuance under its equity incentive plan. Over the last three years, the Company has maintained an average equity run rate of 5.6% of shares of common stock outstanding per year, including shares of preferred stock on an as-converted basis. Our run rate in 2015 was unusually high due primarily to the equity grant that we made to Mr. Salka in connection with his commencement of our Chief Executive Officer, which the Compensation Committee believed was consistent with the level of options granted to chief executive officers in our industry. Excluding the special hiring grant we made to our Chief Executive Officer, in 2015 our three-year average equity run rate was 3.7%. Dilution measures the degree to which our stockholders' ownership has been diluted by stock-based compensation awarded under our equity incentive plans and also includes shares that may be awarded under our equity incentive plans in the future ("overhang").

The following table shows how our key equity metrics have changed over the past three years:

Key Equity Metrics	2013	2014	2015 (4)
Equity Run Rate ⁽¹⁾	7.9 %	0.3 %	8.5 %
Overhang ⁽²⁾	24.0%	21.6%	18.9%
Dilution ⁽³⁾	9.2 %	7.7 %	9.1 %.

18.

- (1) Equity run rate is calculated by dividing the number of shares subject to equity awards granted during the year by the weighted-average number of shares outstanding during the year.

Overhang is calculated by dividing (a) the sum of (x) the number of shares subject to equity awards outstanding at (2) the end of the year and (y) the number of shares available for future grants, by (b) the number of shares outstanding at the end of the year.

- (3) Dilution is calculated by dividing the number of shares subject to equity awards outstanding at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year.

- (4) Excluding the special stock option grant we made to Mr. Salka in connection with his commencement of employment with us, the 2015 Equity Run Rate was 2.8%, Overhang was 13.4% and Dilution was 3.7%.

In evaluating whether to approve the 2016 Plan our Board of Directors and Compensation Committee reviewed our historical issuances under our 2013 Plan and considered our future needs for equity awards under the 2016 Plan, based on our plans for future expansion and growth in light of our anticipated recruiting and retention needs and potential changes in company capitalization and dilution. We intend to grant future equity awards under the 2016 Plan in amounts that are reasonable and based on market data prepared by the independent compensation consultant to the Compensation Committee. If this Proposal 2 is approved by our shareholders, we expect the initial share reserve to last for approximately 2 to 3 years of awards. While we believe this is a reasonable estimate of how long the share reserve could last, because there are a number of uncertain factors that could impact our future share usage, we are not able to presently forecast the share amounts and rate at which we will utilize equity as a tool for attracting and retaining talent.

Continued Ability to Grant Performance-Based Awards

Approval of the 2016 Plan by our shareholders will also constitute approval of terms and conditions set forth therein that will permit us to grant stock options, stock appreciation rights and performance-based stock and cash awards under the 2016 Plan that may qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code. Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or the Code, disallows a deduction to any publicly held corporation and its affiliates for certain compensation paid to “covered employees” in a taxable year to the extent that compensation to a covered employee exceeds \$1 million. However, some kinds of compensation, including qualified “performance-based compensation,” are not subject to this deduction limitation. For compensation awarded under a plan to qualify as “performance-based compensation” under Section 162(m) of the Code, among other things, the following terms must be disclosed to and approved by the shareholders before the compensation is paid: (i) a description of the employees eligible to receive such awards; (ii) a per-person limit on the number of shares subject to stock options, stock appreciation rights and performance-based stock awards, and the amount of cash subject to performance-based cash awards, that may be granted to any employee under the plan in any year; and (iii) a description of the business criteria upon which the performance goals for performance-based awards may be granted

(or become vested or exercisable). Accordingly, we are requesting that our shareholders approve the 2016 Plan, which includes terms and conditions regarding eligibility for awards, annual per-person limits on awards and the business criteria for performance-based awards granted under the 2016 Plan (as described in the summary below).

We believe it is in the best interests of our Company and our shareholders to preserve the ability to grant “performance-based compensation” under Section 162(m) of the Code. However, in certain circumstances, we may determine to grant compensation to covered employees that is not intended to qualify as “performance-based compensation” for purposes of Section 162(m) of the Code. Moreover, even if we grant compensation that is intended to qualify as “performance-based compensation” for purposes of Section 162(m) of the Code, we cannot guarantee that such compensation ultimately will be deductible by us.

Description of 2016 Plan

The material features of the 2016 Plan are outlined below. This summary is qualified in its entirety by reference to the complete text of the 2016 Plan. Shareholders are encouraged to read the actual text of the 2016 Plan, which is appended to this proxy statement as Appendix A and may be accessed from the SEC’s website at www.sec.gov.

Purpose. The 2016 Plan is critical to our ongoing effort to build shareholder value through recruiting, retaining and motivating employees, directors and consultants. We are seeking to approval of the 2016 Plan to provide for the shares necessary so that we can ensure that we have the most qualified, motivated employees possible to help us move the Company's programs forward and implement our recruiting plans to facilitate the future growth of our business.

Awards. The 2016 Plan provides for the grant of incentive stock options, or ISOs, nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards, and other forms of equity compensation, or collectively, stock awards, all of which may be granted to employees, including officers, non-employee directors and consultants of us and our affiliates. Additionally, the 2016 Plan provides for the grant of performance cash awards.

Eligibility. As of May 5, 2016, all of our approximately 29 employees, six non-employee directors and one consultant are eligible to participate in the 2016 Plan and may receive all types of awards other than ISOs. ISOs may be granted only to our employees (including officers) and employees of our affiliates.

Share Reserve. The aggregate number of shares of our common stock that initially may be issued pursuant to stock awards under the 2016 Plan will not exceed 2,373,000 shares, which is the sum of (i) 1,000,000 shares, plus (ii) the number of shares reserved for issuance under our 2013 Plan at the time our 2016 Plan became effective, plus (iii) any shares subject to stock options or other stock awards granted under our Prior Plans that would have otherwise returned to the share reserve of our Prior Plans (such as upon the expiration or termination of an option prior to exercise), such shares are referred to as our "Prior Plans' Returning Shares." Collectively, our 2013 Plan, 2009 Targeted Genetics Stock Incentive Plan and the AmpliPhi Biosciences Corporation 2012 Stock Incentive Plan are our "Prior Plans."

Additionally, the number of shares of our common stock reserved for issuance under our 2016 Plan automatically increases on January 1 of each year, beginning on January 1, 2017 and continuing through and including January 1, 2026, by 5% of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our Board of Directors. The maximum number of shares that may be issued upon the exercise of ISOs under our 2016 Plan is 4,746,000 shares.

If a stock award granted under the 2016 Plan expires or otherwise terminates without being exercised in full, or is settled in cash, the shares of our common stock not acquired pursuant to the stock award again will become available for subsequent issuance under the 2016 Plan. In addition, the following types of shares under the 2016 Plan may become available for the grant of new stock awards under the 2016 Plan: (1) shares that are forfeited to or repurchased by us prior to becoming fully vested; (2) shares withheld to satisfy income or employment withholding taxes; or (3) shares used to pay the exercise or purchase price of a stock award. Shares issued under the 2016 Plan may be previously unissued shares or reacquired shares bought by us on the open market.

Section 162(m) Limits. No person may be granted stock awards covering more than 1,000,000 shares of our common stock under our 2016 Plan during any calendar year pursuant to stock options, stock appreciation rights and other stock awards whose value is determined by reference to an increase over an exercise or strike price of at least 100% of the fair market value on the date the stock award is granted. Additionally, no person may be granted in a calendar year a performance stock award covering more than 1,000,000 shares or a performance cash award having a maximum value in excess of \$2,000,000. Such limitations are designed to help assure that any deductions to which we would otherwise be entitled with respect to such awards will not be subject to the \$1,000,000 limitation on the income tax deductibility of compensation paid to any covered executive officer imposed by Section 162(m) of the Code.

Non-Employee Director Compensation Limit. The aggregate value of all compensation paid or granted, as applicable, to any individual for service as a non-employee director of our Board of Directors with respect to any calendar year commencing with the 2016 calendar year, including awards granted under the 2016 Plan and cash fees paid by us to such non-employee director, will not exceed (i) \$375,000 in total value or (ii) in the event such non-employee director is first appointed or elected to our Board of Directors during such calendar year, \$783,000 in total value, in each case calculating the value of any awards granted under the 2016 Plan based on the grant date fair value of such awards for financial reporting purposes. However, the Board of Directors may make exceptions to the applicable limit for individual non-employee directors in extraordinary circumstances (for example, to compensate such individual for interim service in the capacity of an officer of the Company), as the Board of Directors may determine in its discretion, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation.

Administration. Our Board of Directors, or a duly authorized committee thereof, has the authority to administer the 2016 Plan. Our Board of Directors has delegated authority to administer the 2016 Plan to our Compensation Committee. Subject to the terms of the 2016 Plan, the Compensation Committee, referred to herein as the plan administrator, determines recipients, dates of grant, the numbers and types of stock awards to be granted and the terms and conditions of the stock awards, including the period of their exercisability and vesting schedule applicable to a stock award. Subject to the limitations set forth below, the plan administrator will also determine the exercise price, strike price or purchase price of awards granted and the types of consideration to be paid for the award.

The plan administrator has the authority to modify outstanding awards under our 2016 Plan. Subject to the terms of our 2016 Plan, the plan administrator has the authority to reduce the exercise, purchase or strike price of any outstanding stock award, cancel any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

Stock Options. ISOs and NSOs are granted pursuant to stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for a stock option, within the terms and conditions of the 2016 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under the 2016 Plan vest at the rate specified by the plan administrator.

The plan administrator determines the term of stock options granted under the 2016 Plan, up to a maximum of 10 years. Unless the terms of an option holder's stock option agreement provide otherwise, if an option holder's service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the option holder may generally exercise any vested options for a period of three months following the cessation of service. The option term may be extended in the event that exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an optionholder's service relationship with us or any of our affiliates ceases due to disability or death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the optionholder, (4) a net exercise of the option if it is an NSO, and (5) other legal consideration approved by the plan administrator.

Unless the plan administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. An optionholder may designate a beneficiary, however, who may exercise the option following the optionholder's death.

Tax Limitations on Incentive Stock Options. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an optionholder during any calendar year under all of our stock plans may not exceed \$100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant, and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the plan administrator. Restricted stock awards may be granted in consideration for (1) cash, check, bank draft or money order, (2) services rendered to us or our affiliates, or (3) any other form of legal consideration. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule to be determined by the plan administrator. Rights to acquire shares under a restricted stock award may be transferred only upon such terms and conditions as set by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock unit awards that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Restricted Stock Unit Awards. Restricted stock unit awards are granted pursuant to restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Stock Appreciation Rights. Stock appreciation rights are granted pursuant to stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the strike price for a stock appreciation unit, which generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Upon the exercise of a stock appreciation unit, we will pay the participant an amount equal to the product of (1) the excess of the per share fair market value of our common stock on the date of exercise over the strike price, multiplied by (2) the number of shares of common stock with respect to which the stock appreciation unit is exercised. A stock appreciation unit granted under the 2016 Plan vests at the rate specified in the stock appreciation grant agreement as determined by the plan administrator.

The plan administrator determines the term of stock appreciation rights granted under the 2016 Plan, up to a maximum of ten years. Unless the terms of a participant's stock appreciation right agreement provides otherwise, if a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. The stock appreciation right term may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance Awards. The 2016 Plan permits the grant of performance-based stock and cash awards that may qualify as performance-based compensation that is not subject to the \$1,000,000 limitation on the income tax deductibility of compensation paid to a covered executive officer imposed by Section 162(m) of the Code. To help assure that the compensation attributable to performance-based awards will so qualify, our Compensation Committee can structure such awards so that stock or cash will be issued or paid pursuant to such award only after the achievement of certain pre-established performance goals during a designated performance period.

A performance stock award is a stock award that is payable (including that may be granted, may vest, or may be exercised) contingent upon the achievement of pre-determined performance goals during a performance period. A

performance stock award may require the completion of a specified period of continuous service. The length of any performance period, the performance goals to be achieved during the performance period, and the measure of whether and to what degree such performance goals have been attained will generally be determined by our Compensation Committee, except that the plan administrator also may make any such determinations to the extent that the award is not intended to comply with Section 162(m) of the Code. In addition, to the extent permitted by applicable law and the performance stock award agreement, the plan administrator may determine that cash may be used in payment of performance stock awards.

A performance cash award is a cash award that is payable contingent upon the achievement of pre-determined performance goals during a performance period. A performance cash award may require the completion of a specified period of continuous service. The length of any performance period, the performance goals to be achieved during the performance period, and the measure of whether and to what degree such performance goals have been attained will generally be determined by our Compensation Committee, except that the plan administrator also may make any such determinations to the extent that the award is not intended to comply with Section 162(m) of the Code. The plan administrator may specify the form of payment of performance cash awards, which may be cash or other property, or may provide for a participant to have the option for his or her performance cash award, or such portion thereof as the plan administrator may specify, to be paid in whole or in part in cash or other property.

22.

In granting a performance award intended to qualify as “performance-based compensation” under Section 162(m) of the Code, our Compensation Committee will set a period of time, or a performance period, over which the attainment of one or more goals, or performance goals, will be measured. Within the time period prescribed by Section 162(m) of the Code (no later than the earlier of the 90th day of a performance period and the date on which 25% of the performance period has elapsed, and in any event at a time when the achievement of the performance goals remains substantially uncertain), our Compensation Committee will establish the performance goals, based upon one or more criteria, or performance criteria, enumerated in the 2016 Plan and described below. As soon as administratively practicable following the end of the performance period, our Compensation Committee will certify in writing whether the performance goals have been satisfied.

Performance goals under the 2016 Plan will be based on any one or more of the following performance criteria: (1) earnings (including earnings per share and net earnings); (2) earnings before interest, taxes and depreciation; (3) earnings before interest, taxes, depreciation and amortization; (4) earnings before interest, taxes, depreciation, amortization and legal settlements; (5) earnings before interest, taxes, depreciation, amortization, legal settlements and other income (expense); (6) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense) and stock-based compensation; (7) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation and changes in deferred revenue; (8) earnings before interest, taxes, depreciation, amortization, legal settlements, other income (expense), stock-based compensation, other non-cash expenses and changes in deferred revenue; (9) total shareholder return; (10) return on equity or average shareholder’s equity; (11) return on assets, investment, or capital employed; (12) stock price; (13) margin (including gross margin); (14) income (before or after taxes); (15) operating income; (16) operating income after taxes; (17) pre-tax profit; (18) operating cash flow; (19) sales or revenue targets; (20) increases in revenue or product revenue; (21) expenses and cost reduction goals; (22) improvement in or attainment of working capital levels; (23) economic value added (or an equivalent metric); (24) market share; (25) cash flow; (26) cash flow per share; (27) cash balance; (28) cash burn; (29) cash collections; (30) share price performance; (31) debt reduction; (32) implementation or completion of projects or processes (including, without limitation, clinical trial initiation, clinical trial enrollment and dates, clinical trial results, regulatory filing submissions, regulatory filing acceptances, regulatory or advisory committee interactions, regulatory approvals, and product supply); (33) shareholders’ equity; (34) capital expenditures; (35) debt levels; (36) operating profit or net operating profit; (37) workforce diversity; (38) growth of net income or operating income; (39) billings; (40) bookings; (41) employee retention; (42) initiation of studies by specific dates; (43) budget management; (44) submission to, or approval by, a regulatory body (including, but not limited to the U.S. Food and Drug Administration) of an applicable filing or a product; (45) regulatory milestones; (46) progress of internal research or development programs; (47) acquisition of new customers; (48) customer retention and/or repeat order rate; (49) improvements in sample and test processing times; (50) progress of partnered programs; (51) partner satisfaction; (52) timely completion of clinical trials; (53) submission of 510(k)s or pre-market approvals and other regulatory achievements; (54) milestones related to research development (including, but not limited to, preclinical and clinical studies), product development and manufacturing; (55) expansion of sales in additional geographies or markets; (56) research progress, including the development of programs; (57) strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property; and (58) and to the extent that an award is not intended to comply with Section 162(m) of the Code, other measures of performance selected by the plan administrator.

Performance goals may be based on a company-wide basis, with respect to one or more business units, divisions, affiliates or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Under the 2016 Plan, unless specified otherwise by our Compensation Committee (or, if not required for compliance with Section 162(m) of the Code, the plan administrator) (i) in the award agreement at the time the award is granted or (ii) in such other document setting forth the performance goals at the time the performance goals are established, our compensation committee (or, if not required for compliance with Section 162(m) of the Code, the plan administrator) will appropriately make adjustments in the method of calculating the attainment of performance goals for a performance period: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of any items that are “unusual” in nature or occur “infrequently” as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common shareholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company’s bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles; and (12) to exclude the effects of the timing of acceptance for review and/or approval of submissions to the U.S. Food and Drug Administration or any other regulatory body. In addition, our Compensation Committee (or, if not required for compliance with Section 162(m) of the Code, the plan administrator) retains the discretion to reduce or eliminate the compensation or economic benefit due upon the attainment of any performance goals and to define the manner of calculating the performance criteria it selects to use for a performance period.

23.

Other Stock Awards. The plan administrator may grant other awards based in whole or in part by reference to our common stock. The plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event that there is a specified type of change in our capital structure, such as a stock split or recapitalization, appropriate adjustments will be made to (a) the class and maximum number of shares reserved for issuance under the 2016 Plan, (b) the class and maximum number of shares by which the share reserve may increase automatically each year, (c) the class and maximum number of shares that may be issued upon the exercise of ISOs, (d) the class and maximum number of shares subject to stock awards that can be granted in a calendar year (as established under the 2016 Plan pursuant to Section 162(m) of the Code) and (e) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. In the event of certain specified significant corporate transactions, the plan administrator has the discretion to take any of the following actions with respect to stock awards:

- arrange for the assumption, continuation or substitution of a stock award by a surviving or acquiring entity or parent company;
- arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring entity or parent company;
- accelerate the vesting of the stock award and provide for its termination prior to the effective time of the corporate transaction;
- arrange for the lapse of any reacquisition or repurchase right held by us;
- cancel or arrange for the cancellation of the stock award in exchange for such cash consideration, if any, as our plan administrator may deem appropriate; or
- make a payment equal to the excess of (a) the value of the property the participant would have received upon exercise of the stock award over (b) the exercise price otherwise payable in connection with the stock award.

Our plan administrator is not obligated to treat all stock awards, even those that are of the same type, in the same manner.

Under the 2016 Plan, a corporate transaction is generally the consummation of (i) a sale or other disposition of all or substantially all of our consolidated assets, (ii) a sale or other disposition of at least 50% of our outstanding securities, (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation, or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Change of Control. The plan administrator may provide, in an individual award agreement or in any other written agreement between a participant and us that the stock award will be subject to additional acceleration of vesting and exercisability in the event of a change of control. Under the 2016 Plan, a change of control is generally (i) the acquisition by a person or entity of more than 50% of our combined voting power other than by merger, consolidation or similar transaction; (ii) a consummated merger, consolidation or similar transaction immediately after which our shareholders cease to own more than 50% of the combined voting power of the surviving entity; (iii) a consummated sale, lease or exclusive license or other disposition of all or substantially of our consolidated assets; (iv) a complete dissolution or liquidation; or (v) when a majority of the Board of Directors becomes comprised of individuals whose nomination, appointment, or election was not approved by a majority of the Board of Directors members or their approved successors.

24.

Amendment and Termination. Our Board of Directors has the authority to amend, suspend, or terminate our 2016 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. No ISOs may be granted after the tenth anniversary of the date our Board of Directors adopted our 2016 Plan.

U.S. Federal Income Tax Consequences

The following is a summary of the principal United States federal income tax consequences to participants and us with respect to participation in the 2016 Plan. This summary is not intended to be exhaustive and does not discuss the income tax laws of any local, state or foreign jurisdiction in which a participant may reside. The information is based upon current federal income tax rules and therefore is subject to change when those rules change. Because the tax consequences to any participant may depend on his or her particular situation, each participant should consult the participant's tax adviser regarding the federal, state, local and other tax consequences of the grant or exercise of an award or the disposition of stock acquired the 2016 Plan. The 2016 Plan is not qualified under the provisions of Section 401(a) of the Code and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974. Our ability to realize the benefit of any tax deductions described below depends on our generation of taxable income as well as the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of our tax reporting obligations.

Nonstatutory Stock Options

Generally, there is no taxation upon the grant of an NSO if the stock option is granted with an exercise price equal to the fair market value of the underlying stock on the grant date. Upon exercise, a participant will recognize ordinary income equal to the excess, if any, of the fair market value of the underlying stock on the date of exercise of the stock option over the exercise price. If the participant is employed by us or one of our affiliates, that income will be subject to withholding taxes. The participant's tax basis in those shares will be equal to their fair market value on the date of exercise of the stock option, and the participant's capital gain holding period for those shares will begin on that date. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the participant.

Incentive Stock Options

The 2016 Plan provides for the grant of stock options that are intended to qualify as "incentive stock options," as defined in Section 422 of the Code. Under the Code, a participant generally is not subject to ordinary income tax upon the

grant or exercise of an ISO. If the participant holds a share received upon exercise of an ISO for more than two years from the date the stock option was granted and more than one year from the date the stock option was exercised, which is referred to as the required holding period, the difference, if any, between the amount realized on a sale or other taxable disposition of that share and the participant's tax basis in that share will be long-term capital gain or loss. If, however, a participant disposes of a share acquired upon exercise of an ISO before the end of the required holding period, which is referred to as a disqualifying disposition, the participant generally will recognize ordinary income in the year of the disqualifying disposition equal to the excess, if any, of the fair market value of the share on the date of exercise of the stock option over the exercise price. However, if the sales proceeds are less than the fair market value of the share on the date of exercise of the stock option, the amount of ordinary income recognized by the participant will not exceed the gain, if any, realized on the sale. If the amount realized on a disqualifying disposition exceeds the fair market value of the share on the date of exercise of the stock option, that excess will be short-term or long-term capital gain, depending on whether the holding period for the share exceeds one year.

For purposes of the alternative minimum tax, the amount by which the fair market value of a share of stock acquired upon exercise of an ISO exceeds the exercise price of the stock option generally will be an adjustment included in the participant's alternative minimum taxable income for the year in which the stock option is exercised. If, however, there is a disqualifying disposition of the share in the year in which the stock option is exercised, there will be no adjustment for alternative minimum tax purposes with respect to that share. In computing alternative minimum taxable income, the tax basis of a share acquired upon exercise of an ISO is increased by the amount of the adjustment taken into account with respect to that share for alternative minimum tax purposes in the year the stock option is exercised.

25.

We are not allowed an income tax deduction with respect to the grant or exercise of an ISO or the disposition of a share acquired upon exercise of an ISO after the required holding period. If there is a disqualifying disposition of a share, however, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the participant, subject to the requirement of reasonableness and the provisions of Section 162(m) of the Code, and provided that either the employee includes that amount in income or we timely satisfy our reporting requirements with respect to that amount.

Restricted Stock Awards

Generally, the recipient of a restricted stock award will recognize ordinary income at the time the stock is received equal to the excess, if any, of the fair market value of the stock received over any amount paid by the recipient in exchange for the stock. If, however, the stock is not vested when it is received (for example, if the employee is required to work for a period of time in order to have the right to sell the stock), the recipient generally will not recognize income until the stock becomes vested, at which time the recipient will recognize ordinary income equal to the excess, if any, of the fair market value of the stock on the date it becomes vested over any amount paid by the recipient in exchange for the stock. A recipient may, however, file an election with the Internal Revenue Service, within 30 days following his or her receipt of the stock award, to recognize ordinary income, as of the date the recipient receives the award, equal to the excess, if any, of the fair market value of the stock on the date the award is granted over any amount paid by the recipient for the stock.

The recipient's basis for the determination of gain or loss upon the subsequent disposition of shares acquired from a restricted stock award will be the amount paid for such shares plus any ordinary income recognized either when the stock is received or when the stock becomes vested.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock award.

Restricted Stock Unit Awards

Generally, the recipient of a restricted stock unit award structured to conform to the requirements of Section 409A of the Code or an exception to Section 409A of the Code will recognize ordinary income at the time the stock is delivered equal to the excess, if any, of the fair market value of the stock received over any amount paid by the recipient in exchange for the stock. To conform to the requirements of Section 409A of the Code, the stock subject to a restricted stock unit award may generally only be delivered upon one of the following events: a fixed calendar date

(or dates), separation from service, death, disability or a change in control. If delivery occurs on another date, unless the restricted stock unit award otherwise complies with or qualifies for an exception to the requirements of Section 409A of the Code, in addition to the tax treatment described above, the recipient will owe an additional 20% federal tax and interest on any taxes owed.

The recipient's basis for the determination of gain or loss upon the subsequent disposition of shares acquired from a restricted stock unit award will be the amount paid for such shares plus any ordinary income recognized when the stock is delivered.

Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the restricted stock unit award.

Stock Appreciation Rights

Generally, if a stock appreciation right is granted with an exercise price equal to the fair market value of the underlying stock on the grant date, the recipient will recognize ordinary income equal to the fair market value of the stock or cash received upon such exercise. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code, and the satisfaction of a tax reporting obligation, we will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock appreciation right.

New Plan Benefits**2016 Plan**

Name and position	Dollar value	Number of shares
M. Scott Salka , Chief Executive Officer	(1)	(1)
Steve R. Martin, Chief Financial Officer	(1)	(1)
Wendy S. Johnson, Interim Chief Operating Officer	(1)	(1)
All current executive officers as a group	(1)	(1)
All current directors who are not executive officers as a group	(2)	(2)
All employees, including all current officers who are not executive officers, as a group	(1)	(1)

Awards granted under the 2016 Plan to our executive officers and other employees are discretionary and are not subject to set benefits or amounts under the terms of the 2016 Plan, and our Board of Directors and our Compensation Committee have not granted any awards under the 2016 Plan subject to shareholder approval of this (1) Proposal 2. Accordingly, the benefits or amounts that will be received by or allocated to our executive officers and other employees under the 2016 Plan, as well as the benefits or amounts which would have been received by or allocated to our executive officers and other employees for fiscal year 2015 if the 2016 Plan had been in effect, are not determinable.

(2) Awards granted under the 2016 Plan to our non-employee directors are currently discretionary and not subject to set benefits or amounts under the terms of the 2016 Plan.

Vote Required; Recommendation of the Board of Directors

In order for Proposal 2 to be approved, the number of shares that vote “For” the proposal must exceed the number of shares that vote “Against” the proposal. Abstentions will be counted towards the vote total for Proposal 2 and will have the same effect as “Against” votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

The Board of Directors Recommends

a Vote “For” Proposal 2.

27.

Proposal 3

Approval of the

AmpliPhi Biosciences Corporation 2016 Employee Stock Purchase Plan

Overview

On April 21, 2016, the Board of Directors adopted the AmpliPhi Bioscience Corporation 2016 Employee Stock Purchase Plan, or the ESPP, subject to shareholder approval at the annual meeting. There are 120,000 shares of common stock initially reserved for issuance under the ESPP. In this Proposal 3, we are requesting approval by our shareholders of the ESPP.

The material features of the ESPP are outlined below. This summary is qualified in its entirety by reference to the complete text of the ESPP. Shareholders are encouraged to read the actual text of the ESPP, which is appended to this proxy statement as Appendix B and may be accessed from the SEC's website at www.sec.gov.

If this Proposal 3 is approved by our shareholders, the ESPP will become effective as of the date of the annual meeting. In the event that our shareholders do not approve this Proposal 3, the ESPP will not become effective.

Forecasted Utilization Rates and Dilution

We manage our long-term shareholder dilution by limiting the number of equity incentive awards granted annually. The Compensation Committee carefully monitors our annual burn rate, dilution, and equity expense to ensure that we maximize shareholders' value by granting only the appropriate number of equity incentive awards necessary to attract, reward, and retain employees.

We cannot determine at this time the participants who will be granted options to purchase shares under the ESPP, the amount of any such options or purchases, or the potential value of such options or purchases to participants as the election to participate and the amount of any purchases under the ESPP will be determined by the individual employees in their sole discretion and the purchase price has not yet been determined; however, all participants are subject to the purchase limitations set forth in the ESPP. Under the terms of the proposed ESPP and the anticipated terms of the offerings, the number of shares of our common stock which a participant could purchase during any six

month purchase period is limited to 7,000 shares, and the number of shares of our common stock which all participants could purchase during any six month purchase period is limited to 45,000 shares. In addition, the fair market value of shares purchased by an individual participant in the ESPP may not exceed \$25,000 in any calendar year.

Purpose; General

The purpose of the ESPP is to provide a means by which our employees may be given an opportunity to purchase shares of our common stock through payroll deductions, to assist us in retaining the services of our employees, to secure and retain the services of new employees, and to provide incentives for such persons to exert maximum efforts for our success. If the ESPP is approved by our shareholders, approximately eight of our employees will initially be eligible to participate in the ESPP.

The rights to purchase common stock granted under the ESPP are intended to qualify as options issued under an “employee stock purchase plan,” as that term is defined in Section 423(b) of the Internal Revenue Code of 1986, as amended, or the Code.

Administration

The Board of Directors administers the ESPP and has the final power to construe and interpret both the ESPP and the rights granted under it. The Board of Directors has the power, subject to the provisions of the ESPP, to determine when and how rights to purchase common stock will be granted, the provisions of each offering of such rights (which need not be identical), and whether employees of any subsidiary of AmpliPhi will be eligible to participate in the ESPP.

The Board of Directors has the power to delegate administration of the ESPP to a committee comprised of one or more members of the Board of Directors. The Board of Directors has delegated administration of the ESPP to the Compensation Committee. As used herein with respect to the ESPP, the “Board of Directors” refers both to the Board of Directors and to any committee the Board of Directors appoints, including the Compensation Committee.

Stock Subject to ESPP

Subject to approval of this Proposal 3, an aggregate of 120,000 shares of our common stock has been initially reserved for issuance under the ESPP. Additionally, the number of shares of our common stock reserved for issuance under the ESPP will automatically increase on January 1 of each year, beginning on January 1, 2017 and including January 1, 2026, by the lesser of (i) 1% of the total number of shares of our common stock outstanding on December 31 of the preceding calendar year, (ii) 300,000 shares of common stock, or (iii) such lesser number of shares of common stock as determined by the Board of Directors. If purchase rights granted under the ESPP terminate without being exercised, the shares of common stock not purchased under such rights again become available for purchase under the ESPP. The shares of common stock purchasable under the ESPP will be shares of authorized but unissued or reacquired common stock, including shares that may be repurchased by us on the open market. The closing price of our common stock as reported on The NYSE MKT on May 11, 2016 was \$ 14.50 per share.

Offerings

The ESPP is implemented by offerings of rights to all eligible employees from time to time. The Board of Directors determines the terms and conditions of offerings. The maximum length for an offering under the ESPP is twenty-seven (27) months. The provisions of separate offerings need not be identical. When an eligible employee elects to join an offering period, he or she is granted a purchase right to acquire shares of common stock on each purchase date within the offering period. On the purchase date, all payroll deductions collected from the participant during the purchase period are automatically applied to the purchase of common stock, subject to certain limitations (which are described further below under “Eligibility”).

The Board of Directors currently anticipates that each offering under the ESPP will be 24 months long, consisting of four separate six month “purchase periods.” The first day of an offering is referred to as an “offering date,” and the last day of an offering and purchase period is referred to as a “purchase date.” Subsequent 24 month offerings will commence following the expiration of each offering, unless longer or shorter offerings and/or purchase periods are established and approved by the Board of Directors. If any offering date is not a trading day (*i.e.*, a day on which the NYSE MKT, or any other exchange or market on which shares of our common stock are listed, is not open for trading), then the offering date will fall on the next subsequent trading day, and if the last day of an offering and purchase period falls on a day that is not a trading day, then the purchase date for that offering and purchase period will instead fall on the immediately preceding trading day.

Eligibility

The Board of Directors has the power to exclude certain part-time employees and certain highly compensated employees under applicable tax laws. No employee is eligible to participate in the ESPP if, immediately after the grant of purchase rights, the employee would own, directly or indirectly, stock possessing 5% or more of the total combined voting power or value of all classes of stock or of any parent or subsidiary of AmpliPhi. In addition, no employee may purchase more than \$25,000 worth of common stock (determined based on the fair market value of the shares at the time such rights are granted) under all employee stock purchase plans of AmpliPhi and our subsidiary corporations in any calendar year; provided, that any unused limit in one year may be carried over to a future year to the extent permitted by applicable tax laws.

Participation in the ESPP

Eligible employees will generally enroll in the ESPP by delivering to us, prior to the date selected by the Board of Directors as the offering date for the applicable offering, an agreement authorizing payroll deductions. However, for the initial offering under the ESPP which will commence on the date of the annual meeting, we anticipate that each eligible employee will be automatically enrolled in such offering and will have a two week period after the date of the annual meeting to elect to either authorize payroll deductions or withdraw from such offering. Currently, such payroll deductions are limited to 15% of an employee's base salary or base wages earned during the offering and other compensation, such as overtime pay, bonuses and commissions, and the spread on the exercise of an option, is excluded from such calculation.

Purchase Price

The purchase price per share at which shares of common stock are sold in an offering under the ESPP may not be less than the lower of (i) 85% of the fair market value of a share of common stock on the first day of the offering period and (ii) 85% of the fair market value of a share of common stock on the purchase date (*i.e.*, the last day of the applicable purchase period). If the scheduled purchase date is not a trading day, the purchase will occur on the immediately preceding trading day.

Payment of Purchase Price; Payroll Deductions

The purchase price of the shares is funded by accumulated payroll deductions during the offering. All payroll deductions made on behalf of a participant are credited to his or her account under the ESPP and deposited with our general funds.

Purchase of Shares

In connection with offerings made under the ESPP, the Board of Directors may specify a maximum number of shares of common stock an employee may be granted the right to purchase and the maximum aggregate number of shares of common stock that may be purchased pursuant to such offering by all participants. The Board of Directors currently anticipates that the terms of offerings will provide maximum number of shares that may be purchased during any six month purchase period by any single eligible employee will be 7,000 shares and the number purchasable during such six month period by all eligible employees will be 45,000 shares.

If the aggregate number of shares to be purchased upon exercise of all outstanding purchase rights would exceed the number of shares of common stock remaining available under the ESPP, or the maximum number of shares that may be purchased on a single purchase date across all offerings, the Board of Directors would make a pro rata allocation (based on each participant's accumulated payroll deductions) of available shares. Unless the employee's participation is discontinued, his or her right to purchase shares is exercised automatically at the end of the purchase period at the applicable price. See "Withdrawal" below.

Withdrawal

Although each participant in the ESPP is required to sign an agreement authorizing payroll deductions, the participant may withdraw from a given offering by terminating his or her payroll deductions and by delivering to us a notice of withdrawal from the ESPP. Such withdrawal may be elected at any time prior to the end of the applicable offering, except as otherwise provided in the offering document.

Upon any withdrawal from an offering by an employee, we will distribute to the employee his or her accumulated payroll deductions without interest (unless otherwise required by applicable local law) and such employee's rights in the offering will be automatically terminated. The employee is not entitled to again participate in that offering. However, an employee's withdrawal from an offering will not prevent such employee from participating in subsequent

offerings under the ESPP.

Reset Feature

The Board of Directors has the authority to provide that if the fair market value of a share of our common stock on the first day of any purchase period within a particular offering period is less than or equal to the fair market value on the start date of that offering period, then the participants in that offering period will automatically be transferred and enrolled in a new offering period which will begin on the first day of that purchase period and the participants' purchase rights in the original offering period will terminate. The Board of Directors currently anticipates that the terms of offering periods will include such a reset feature.

Termination of Employment

Unless otherwise specified by the Board of Directors, a participant's rights under any offering under the ESPP terminate immediately upon cessation of an employee's employment for any reason (subject to any post-employment participation period required by law), and we will distribute to such employee all of his or her accumulated payroll deductions, without interest (unless otherwise required by applicable law).

Capitalization Adjustment Provisions

Upon certain transactions by AmpliPhi, such as a merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar transaction, the ESPP share reserve, the number and class of shares by which the ESPP share reserve may increase each year pursuant to the "evergreen" provision, the outstanding purchase rights thereunder, and any purchase limits will be appropriately adjusted as to the type, class, maximum number of shares and purchase price subject thereto.

Effect of Certain Corporate Transactions

In the event of a corporate transaction (as defined in the ESPP and described below), then any surviving or acquiring corporation may assume or continue outstanding purchase rights under the ESPP or may substitute similar rights for outstanding purchase rights. If any surviving or acquiring corporation does not assume or continue such rights or substitute similar rights, then the participants' accumulated payroll deductions will be used to purchase shares of common stock within ten business days prior to the corporate transaction under the ongoing offering and the participants' rights under the ongoing offering will terminate immediately after such purchase.

A "corporate transaction" generally means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

- the consummation of a sale or other disposition of all or substantially all, as determined by the Board of Directors in its sole discretion, of the consolidated assets of the Company and its subsidiaries;
- the consummation of a sale or other disposition of at least 50% of our outstanding securities; or
- the consummation of certain specified types of mergers, consolidations or similar transactions.

Duration, Amendment and Termination

The Board of Directors may amend, suspend or terminate the ESPP at any time. However, except in regard to capitalization adjustments (as described above), to the extent shareholder approval is required by applicable law or listing requirements, then any amendment to the ESPP must be approved by our shareholders if the amendment would:

- materially increase the number of shares of common stock available for issuance under the ESPP;
- materially expand the class of individuals eligible to participate under the ESPP;

- materially increase the benefits accruing to participants under the ESPP or materially reduce the price at which shares of common stock may be purchased under the ESPP;
- materially extend the term of the ESPP; or
- expand the types of awards available for issuance under the ESPP.

The Board of Directors may amend outstanding purchase rights without a participant's consent if such amendment is necessary to ensure that the purchase right complies with the requirements of Section 423 of the Code.

Rights granted before amendment or termination of the ESPP will not be impaired by any amendment or termination of the ESPP without the consent of the participant to whom such rights were granted, except as necessary to comply with applicable laws, or as necessary to obtain or maintain favorable tax, listing or regulatory treatment.

U.S. Federal Income Tax Information

The following is a summary of the principal United States federal income taxation consequences to participants and us with respect to participation in the ESPP. This summary is not intended to be exhaustive and does not discuss the income tax laws of any local, state or foreign jurisdiction in which a participant may reside. The information is based upon current federal income tax rules and therefore is subject to change when those rules change. Because the tax consequences to any participant may depend on his or her particular situation, each participant should consult the participant's tax adviser regarding the federal, state, local, and other tax consequences of the grant or exercise of an option or the disposition of common stock acquired under the ESPP. The ESPP is not qualified under the provisions of Section 401(a) of the Code and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Purchase rights granted under the ESPP are intended to qualify for favorable federal income tax treatment associated with rights granted under an employee stock purchase plan that qualifies under provisions of Section 423 of the Code.

A participant will be taxed on amounts withheld for the purchase of shares of common stock as if such amounts were actually received. Otherwise, no income will be taxable to a participant as a result of the granting or exercise of a purchase right until disposition of the acquired shares. The taxation upon disposition will depend upon the holding period of the acquired shares.

If the stock is disposed of more than two years after the beginning of the offering period and more than one year after the stock is transferred to the participant, then the lesser of:

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- (1) the excess of the fair market value of the stock at the time of such disposition over the purchase price, or
- (2) the excess of the fair market value of the stock as of the beginning of the offering period over the purchase price (determined as of the beginning of the offering period) will be treated as ordinary income.

Any further gain or any loss will be taxed as a long-term capital gain or loss. At present, such capital gains generally are subject to lower tax rates than ordinary income.

If the stock is sold or disposed of before the expiration of either of the holding periods described above, then the excess of the fair market value of the stock on the purchase date over the purchase price will be treated as ordinary income at the time of such disposition. The balance of any gain will be treated as capital gain. Even if the stock is later disposed of for less than its fair market value on the purchase date, the same amount of ordinary income is attributed to the participant, and a capital loss is recognized equal to the difference between the sales price and the fair market value of the stock on such purchase date. Any capital gain or loss will be short-term or long-term, depending on how long the stock has been held.

There are no federal income tax consequences to us by reason of the grant or exercise of rights under the ESPP. We are entitled to a deduction to the extent amounts are taxed as ordinary income to a participant (subject to the requirement of reasonableness and the satisfaction of tax reporting obligations).

New Plan Benefits

Participation in the ESPP is voluntary and each eligible employee will make his or her own decision regarding whether and to what extent to participate in the ESPP. It is, therefore, not possible to determine the benefits or amounts that will be received in the future by individual employees or groups of employees under the ESPP.

Vote Required; Recommendation of the Board of Directors

In order for Proposal 3 to be approved, the number of shares that vote “For” the proposal must exceed the number of shares that vote “Against” the proposal. Abstentions will be counted towards the vote total for Proposal 3 and will have the same effect as “Against” votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

The Board of Directors Recommends

a Vote “For” Proposal 3.

32.

Proposal 4

Approval of the reincorporation of the Company in the State of Delaware, to be effected through a merger with and into a newly formed and wholly owned Delaware subsidiary

What is the Reincorporation Proposal?

On April 21, 2016, the Board of Directors, which we refer to, for purposes of this Proposal 4, as the “Board” or the “AmpliPhi Board,” of AmpliPhi Biosciences Corporation, which we refer to, for the purposes of this Proposal 4, as the “Company,” “AmpliPhi” or “AmpliPhi Washington,” approved a proposal, or the Reincorporation Proposal, to change the state of incorporation of AmpliPhi from Washington to Delaware, or the Reincorporation. The Board believes that the Reincorporation can improve corporate governance, reduce administrative costs, and enhance long-term shareholder value.

The choice of state of domicile is important because state corporate law governs the internal affairs of a corporation. Management and boards of directors of corporations look to state law and judicial interpretations of state law to guide their decision-making on many key issues, including determining appropriate governance policies and procedures, ensuring that boards satisfy their fiduciary obligations to shareholders, and evaluating key strategic alternatives for the corporation, including mergers, acquisitions, and divestitures. After careful consideration of these and other factors as discussed more fully below, the AmpliPhi Board believed that it is in the best interest of AmpliPhi and its shareholders to complete the Reincorporation.

Where can I find information on the Reincorporation Proposal?

Shareholders are urged to read this proxy statement carefully for information regarding the Reincorporation Proposal, including the related appendices referenced below and attached to this proxy statement, before voting on the Reincorporation. The following discussion summarizes material provisions of the Reincorporation. This summary is subject to and qualified in its entirety by the following reincorporation documents attached as appendices to this proxy statement: the Agreement and Plan of Merger to be executed in connection with the Reincorporation in substantially the form attached hereto as Appendix C, the Delaware Certificate of Incorporation to be effective after the Reincorporation, in the form attached hereto as Appendix D (the “Delaware Charter”) and the Delaware Bylaws to be effective after the Reincorporation, in the form attached hereto as Appendix E (the “Delaware Bylaws”). Copies of our Amended and Restated Washington Articles of Incorporation, as amended (“Washington Charter”) and our Washington Amended and Restated Bylaws (the “Washington Bylaws”) are filed publicly as exhibits to our periodic reports and are also available for inspection at our principal office. Copies will be sent to shareholders free of charge upon written

request to our Secretary at AmpliPhi Biosciences Corporation at 3579 Valley Centre Drive, Suite 100, San Diego, California 92130.

Why did our Board of Directors choose Delaware over other jurisdictions?

It is well established that the State of Delaware has been a leader in adopting a comprehensive and coherent set of corporate laws that are responsive to the evolving legal and business needs of corporations. Our Board of Directors believes that the most important criterion in comparing jurisdictions is the existence of a highly developed and predictable corporate law that will guide management and our Board of Directors in addressing the complex and varied decisions faced by public companies. We believe that no other jurisdiction in the United States satisfies this criterion to the same extent as Delaware. In particular, relative to our current domicile in Washington or a domicile in any other state, we believe Delaware will offer us greater predictability and clarity due to characteristics that are unique to the state, which are further discussed below.

Predictability, Flexibility and Responsiveness of Delaware Law

Delaware courts have established a jurisprudence that is significantly more thorough and broadly applied with respect to principles of corporate governance than any other state's courts, including the courts in Washington. As a result, corporations domiciled in Delaware have an advantage over companies organized under the laws of other states, because Delaware corporations can draw upon these firmly established and consistently interpreted principles when making business and legal decisions.

We believe that Delaware is the preferred domicile for most major American corporations. According to the Delaware Secretary of State, over 50 percent of all public companies and approximately 64 percent of all Fortune 500 corporations are incorporated in Delaware.

Because of the large number of major corporations domiciled in Delaware, Delaware courts often take the lead in reviewing and deciding important new issues relating to corporate governance and rights and obligations of shareholders and corporations. As Delaware courts were among the first and most influential to address these issues, many corporations in Washington and other states have looked to Delaware laws for guidance on these issues. The Board believes that the clarity provided on these issues is ultimately beneficial to AmpliPhi and our shareholders because it establishes more reliable guidance for corporate governance decisions.

Delaware's court system also provides swift and efficient resolutions in corporate litigation. Delaware has a specialized Court of Chancery that reviews and decides corporate law cases, and appeals to Delaware's Supreme Court can be decided quickly. In addition, Delaware passed the Delaware Rapid Arbitration Act, which became effective on May 4, 2015, and which provides a streamlined arbitration process that will allow for prompt, cost-effective resolution of business disputes.

We have identified the following key benefits of Delaware's corporate legal framework that are available to AmpliPhi after the Reincorporation:

The Delaware General Corporate Law, as amended (the "DGCL"), is generally acknowledged to be the most advanced and flexible state corporate statute in the United States;

The Delaware Court of Chancery routinely handles cases involving complex corporate issues with a level of experience and a degree of sophistication and understanding unmatched by other courts in the country;

The Delaware Supreme Court is well regarded and is timely and highly responsive in cases involving complex corporate issues;

The well-established body of case law construing Delaware law has developed over the last century and provides businesses with a greater predictability on numerous issues than the case law of most, if not all, other jurisdictions, including, but not limited to, Washington;

The Delaware legislature each year considers and adopts statutory amendments in an effort to ensure that the Delaware corporate statute continues to be responsive to the changing needs of businesses;

Delaware has a user-friendly Office of Secretary of State that facilitates filings and interactions and reduces (as compared to other states) complications and delays that can arise in time sensitive transactions.

Ability to Have the Delaware Courts Serve as the Exclusive Forum for the Adjudication of Certain Legal Matters

To ensure that we get the full benefits of Delaware's corporate legal framework, the Board has decided to include in the Delaware Charter a provision providing that the Delaware Courts are the exclusive forum for the adjudication of certain legal actions.

Under the exclusive forum provision contained in the Delaware Charter, the state courts of the State of Delaware (or if no state court has jurisdiction, the federal district court for the District of Delaware) will be the exclusive forum for certain actions involving AmpliPhi, unless AmpliPhi consents to an alternative forum. Based on the proposed language in the Delaware Charter, the Delaware courts would be the exclusive forum for (i) derivative actions or proceedings brought on behalf of AmpliPhi; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to AmpliPhi or its stockholders; (3) any action asserting a claim against AmpliPhi or any director or officer or other employee arising pursuant to any provision of the DGCL, the Delaware Charter or the Delaware Bylaws; and (4) any action asserting a claim against AmpliPhi or any director or officer or other employee governed by the internal affairs doctrine.

The exclusive forum provision contained in the Delaware Charter is intended to assist AmpliPhi in avoiding multiple lawsuits in multiple jurisdictions on matters relating to the corporate law of Delaware, which will be our state of incorporation if the Reincorporation Proposal is approved. AmpliPhi believes that the exclusive forum provision in the Delaware Charter will reduce the risk that AmpliPhi could become subject to duplicative litigation in multiple forums, as well as the risk that the outcome of cases in multiple forums could be inconsistent, even though each forum purports to follow Delaware law. Any of these could expose AmpliPhi to increased expenses or losses.

The exclusive forum provision contained in the Delaware Charter would only regulate the forum where our shareholders may file claims relating to the specified intra-corporate disputes. The exclusive forum provision does not contain any restrictions on the ability of our shareholders to bring such claims, nor the remedies available if such claims are ultimately successful; rather it attempts to prevent AmpliPhi from being forced to waste corporate assets defending against duplicative suits.

Although the Board of Directors believes that the designation of the Delaware Court of Chancery as the exclusive forum for intra-corporate disputes serves the best interests of AmpliPhi and our shareholders as a whole, the Board of Directors also believes that we should retain the ability to consent to an alternative forum on a case-by-case basis. Specifically, where the Board of Directors determines that AmpliPhi's interests and those of our shareholders are best served by permitting a dispute to proceed in a forum other than the Delaware Court of Chancery, the exclusive forum provision in the Delaware Charter permits AmpliPhi to consent to the selection of such alternative forum.

The Board of Directors believes that our shareholders will benefit from having intra-corporate disputes litigated in the Delaware Court of Chancery. Although some plaintiffs might prefer to litigate such matters in a forum outside of Delaware because they perceive another court as more convenient or more favorable to their claims (among other reasons), the Board of Directors believes that the substantial benefits to us and our shareholders as a whole from designating the Delaware Court of Chancery as the exclusive forum for intra-corporate disputes outweigh these concerns. The Delaware Court of Chancery is widely regarded as the preeminent court for the determination of disputes involving a corporation's internal affairs in terms of precedent, experience and focus. The Court's considerable expertise has led to the development of a substantial and influential body of case law interpreting Delaware's corporate law. This provides us and our shareholders with more predictability regarding the outcome of intra-corporate disputes. In addition, the Delaware Court of Chancery has developed streamlined procedures and processes that help provide decisions for litigating parties on a relatively expedited basis. This accelerated schedule can limit the time, cost, and uncertainty of litigation for all parties. Furthermore, there is a significant risk that allowing shareholders to bring such highly sophisticated matters in forums with little familiarity or experience in corporate governance leaves shareholders at risk that foreign jurisdictions may misapply Delaware law.

Without the exclusive forum provision in the Delaware Charter, AmpliPhi remains exposed to the possibility of plaintiffs using AmpliPhi's more diverse operational base to bring claims against AmpliPhi in multiple jurisdictions or choosing a forum state for litigation that may not apply Delaware law to AmpliPhi's internal affairs in the same manner as the Delaware courts would be expected to do so.

What are the consequences of the Reincorporation?

At the effective time of the Reincorporation, we will be governed by the Delaware Charter, the Delaware Bylaws and the DGCL. Although the Delaware Charter and the Delaware Bylaws contain many similar provisions from our

existing Amended and Restated Articles of Incorporation, as amended, or the Washington Articles, and Amended and Restated Bylaws, or the Washington Bylaws, there are important differences that are discussed below. See “What are the differences between the charters and bylaws of AmpliPhi Washington and AmpliPhi Delaware? What are the material differences between Delaware law and Washington law?” below.

After the Reincorporation, our name will remain AmpliPhi Biosciences Corporation. Other than the change in corporate domicile (and certain related changes of a legal nature in our organizational documents, which are described in this proxy statement), the Reincorporation will not result in any change in our name, business operations, management, board composition, fiscal year, assets, liabilities or net worth, or physical location, nor will it result in any change in location of our current employees, including management. Upon consummation of the Reincorporation, our daily business operations will continue as they are presently conducted. In addition, the Reincorporation will not, we believe, significantly affect any of our material contracts with any third parties and our rights and obligations under these contractual arrangements will continue and be assumed by AmpliPhi Delaware. In addition, upon the effectiveness of the Merger, the directors who are elected at the annual meeting as directors of AmpliPhi will become directors of AmpliPhi Delaware, and the individuals serving as executive officers of AmpliPhi immediately prior to the Reincorporation will continue to serve as executive officers of AmpliPhi Delaware, without a change in title or responsibilities.

Upon consummation of the Reincorporation, our daily business operations will continue as they are presently conducted at our current principal executive office located at 3579 Valley Centre Drive, Suite 100, San Diego, California 92130.

**What are the differences between the charters and bylaws of AmpliPhi Washington and AmpliPhi Delaware?
What are the material differences between Delaware law and Washington law?**

Because of differences between the Revised Code of Washington (the “RCW”) and the DGCL, as well as differences between the Company’s charter and bylaws before and after the Reincorporation, the Reincorporation will effect some changes to the rights of the Company’s shareholders. Summarized below are the most significant differences between the rights of the shareholders of the Company before and after the Reincorporation, as a result of the differences among the RCW and the DGCL, the Washington Charter and the Delaware Charter, and the Washington Bylaws and the Delaware Bylaws.

The summary below is not intended to be relied upon as an exhaustive list of all differences or a complete description of the differences between the DGCL and the Delaware Charter and Bylaws, on the one hand, and the RCW and the Washington Charter and Bylaws on the other hand. The summary below is qualified in its entirety by reference to the RCW, the Washington Charter, the Washington Bylaws, the DGCL, the Delaware Charter and the Delaware Bylaws.

Authorized Capital Stock

Delaware Provisions

AmpliPhi Delaware’s authorized capital stock will consist of 150,000,000 authorized shares of common stock, \$0.01 par value, and 10,000,000 authorized shares of preferred stock, \$0.01 par value. All of the shares of AmpliPhi Delaware common stock issued in connection with the Reincorporation will be validly issued, fully paid and non-assessable.

The holders of AmpliPhi Delaware common stock will be entitled to one vote for each share on all matters voted on by shareholders, including the election of directors. The holders of AmpliPhi Delaware common stock will not have any cumulative voting, conversion, redemption or preemptive rights. The holders of AmpliPhi Delaware common stock will be entitled to such dividends as may be declared from time to time by the AmpliPhi Delaware Board of Directors from funds available therefor, and upon liquidation will be entitled to receive pro rata all assets of AmpliPhi

Delaware available for distribution to such holders.

Washington Provisions

The holders of the Company's common stock are entitled to one vote for each share on all matters voted on by shareholders, including the election of directors. The Company's authorized capital stock consists of (i) 670,000,000 authorized shares of common stock, par value \$0.01 per share, and (ii) 10,000,000 authorized shares of preferred stock, par value \$0.01 per share. The holders of the Company's common stock do not have any cumulative voting, conversion, redemption or preemptive rights.

Number of Directors; Election; Removal; Filling Vacancies; Independent Directors

Delaware Provisions

The Delaware Charter and Delaware Bylaws will provide that the number of directors will be fixed from time to time by action of the Board of Directors. Delaware law permits corporations to classify their board of directors so that less than all of the directors are elected each year to overlapping terms. The Delaware Charter will provide for directors to be divided into three classes designated as Class I, Class II and Class III, respectively. The classes correspond to the current classification of the Board. Accordingly, if this proposal is approved at the annual meeting, the term of office of the Class I directors will expire at our 2019 Annual Meeting of Shareholders, the term of office of the Class II directors will expire at our 2017 Annual Meeting of Shareholders and the term of office of the Class III directors will expire at our 2018 annual meeting of shareholders. The term of each class will be three years, beginning on the date of the annual meeting at which such directors are elected and ending on the date of the third annual meeting thereafter. At the second annual meeting of stockholders following such initial classification, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

The Delaware Charter and Bylaws provide that the stockholders may remove one or more directors with cause at a special meeting called for the purpose of removing the director, or at an annual meeting, upon the affirmative vote of the holders of at least 66 2/3% of the voting power of all then outstanding shares of capital stock of the corporation entitled to vote generally at an election of the directors. A vacancy on the Board of Directors, whether created as a result of the removal of a director or resulting from an enlargement of the Board of Directors, may only be filled by the affirmative vote of a majority of the directors then in office.

Washington Provisions

The Washington Bylaws provide that the number of directors shall not be less than one nor more than nine. Under the Washington Charter and Bylaws, the specific number of directors must be set by a resolution of the Board of Directors or the shareholders. The Board is divided into three classes. At each annual meeting of shareholders, the number of directors equal to the number of directors in the class whose term expires at the time of such meeting shall be elected to serve until the third ensuing annual meeting of shareholders. Directors shall serve until their successors are elected and qualified or until their earlier death, resignation or removal from office or until there is a decrease in the number of directors.

The Washington Charter and Bylaws provide that the shareholders may remove one or more directors for cause at a special meeting called for the purpose of removing the director upon the affirmative vote of the holders of at least two-thirds of the shares entitled to elect the director or directors whose removal is sought. A vacancy on the Board of Directors created by the removal of a director shall be filled only by a vote of the holders of at least two-thirds of the shares then entitled to elect the director removed. Any other vacancy may be filled by the shareholders or by the affirmative vote of a majority of the remaining directors.

Under the RCW, shareholders may remove one or more directors with or without cause unless the articles of incorporation provide that directors may be removed only for cause. A director may be removed by the shareholders only at a special meeting called for that purpose. If a vacancy occurs on the Board of Directors either the shareholders or the directors shall fill the vacancy.

Cumulative Voting for Directors

Delaware Provisions

Delaware law permits cumulative voting if provided in the certificate of incorporation. The Delaware Charter does not provide for cumulative voting.

Washington Provisions

Under Washington law, unless the articles of incorporation provide otherwise, shareholders are entitled to use cumulative voting in the election of directors. The Washington Charter expressly prohibits cumulative voting.

Business Combinations: Interested Transactions

Delaware Provisions

Section 203 of the DGCL provides that, subject to certain exceptions specified therein, a corporation shall not engage in any business combination with any “interested stockholder” for a three-year period following the date that such stockholder becomes an interested stockholder unless (i) prior to such date, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding shares held by directors who are also officers and employee stock purchase plans in which employee participants do not have the right to determine confidentially whether plan shares will be tendered in a tender or exchange offer), or (iii) on or subsequent to such date, the business combination is approved by the board of directors of the corporation and by the affirmative vote at an annual or special meeting, and not by written consent, of at least 66-2/3% of the outstanding voting stock which is not owned by the interested stockholder. Except as specified in Section 203 of the DGCL, an interested stockholder is defined to include (a) any person that is the owner of 15% or more of the outstanding voting stock of the corporation or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation, at any time within three years immediately prior to the relevant date, and (b) the affiliates and associates of any such person.

Under certain circumstances, Section 203 of the DGCL may make it more difficult for a person who would be an “interested stockholder” to effect various business combinations with a corporation for a three-year period, although the corporation’s certificate of incorporation or stockholders may elect to exclude a corporation from the restrictions imposed thereunder. The Delaware Charter does not exclude AmpliPhi Delaware from the restrictions imposed under Section 203 of the DGCL. It is anticipated that the provisions of Section 203 of the DGCL may encourage companies interested in acquiring AmpliPhi Delaware to negotiate in advance with AmpliPhi Delaware’s Board of Directors, since the stockholder approval requirement would be avoided if a majority of the directors then in office approve either the business combination or the transaction which results in the stockholder becoming an interested stockholder.

Washington Provisions

Section 23B.19.040 of the RCW provides that a Washington public company may not, for a period of five years following the date on which a shareholder becomes the beneficial owner of ten percent or more of the corporation’s outstanding shares, without the prior approval of the corporation’s board of directors of the transaction or of the acquisition by the shareholder resulting in the shareholder’s ownership of ten percent or more of the corporation’s outstanding shares, engage in (i) a merger, share exchange, or consolidation with such shareholder or an affiliate of such shareholder, (ii) a sale or other disposition to such shareholder of assets with a value equal to five percent or more of the aggregate market value of all the corporation’s assets, or having an aggregate value equal to five percent or more of the aggregate market value of all the outstanding shares of the corporation, or representing five percent or more of the earning power of the corporation, (iii) a termination, as a result of such shareholder’s acquisition of ten percent or more of the shares of the corporation, of five percent or more of the employees of the corporation employed in Washington whether at one time or over the five-year period following the date that the shareholder acquires ten percent of the corporation’s voting securities, (iv) an issuance, transfer or redemption by the corporation of shares, options or warrants to such shareholder, (v) a liquidation or dissolution proposed by or pursuant to an agreement with such shareholder, (vi) a reclassification of securities, including any share splits, share dividend or other distribution of shares in respect of stock, proposed by or pursuant to any agreement with such shareholder that has the effect of increasing the proportionate share of the outstanding shares of a class of shares owned by such shareholder, or (vii) a transaction with such shareholder in which the corporation makes any loans or advances to such shareholder or provides other financial assistance or tax credits or other tax advantages to such shareholder through the target corporation.

The Company is not aware of any specific effort by any party to assume control of the Company. Because the RCW includes provisions affecting acquisitions and business combinations, the possibility that Section 203 of the DGCL may impede the accomplishment of mergers with, or the assumption of control of, the Company is not among the principal reasons for the Reincorporation.

Limitation of Liability of Directors

Delaware Provisions

The DGCL permits a corporation to include a provision in its certificate of incorporation eliminating or limiting the personal liability of a director to the corporation or its stockholders for damages for certain breaches of the director's fiduciary duty. However, no such provision may eliminate or limit the liability of a director: (i) for any breach of the director's duty of loyalty to the corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) for declaration of unlawful dividends or illegal redemptions or stock repurchases; or (iv) for any transaction from which the director derived an improper personal benefit.

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The Delaware Charter provides that the liability of the directors for monetary damages shall be eliminated to the fullest extent allowed under applicable law. While these provisions provide directors with protection from awards for monetary damages for breaches of their duty of care, they do not eliminate such duty. Accordingly, these provisions will have no effect on the availability of equitable remedies such as an injunction or rescission based on a director's breach of his or her duty of care.

Washington Provisions

The RCW permits a corporation to include in its articles of incorporation provisions that eliminate or limit the personal liability of a director to the corporation or its shareholders for monetary damages for conduct as a director, provided that such provisions may not eliminate or limit the liability of a director for acts or omissions that involve (i) intentional misconduct by the director or a knowing violation of law by a director, (ii) liability for unlawful distributions, or (iii) for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled.

The Washington Charter provides that a director of the Company will not be liable to the corporation or its shareholders for monetary damages for any conduct as a director to the fullest extent permitted by the RCW.

Indemnification of Officers and Directors

Both the RCW and the DGCL permit a corporation to indemnify officers, directors, employees and agents for actions taken in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the corporation, and with respect to any criminal action, which they had no reasonable cause to believe was unlawful. Both states' laws provide that a corporation may advance expenses of defense (upon receipt of a written undertaking to reimburse the corporation if indemnification is not appropriate), and both states permit a corporation to purchase and maintain liability insurance for its directors and officers.

Delaware Provisions

The DGCL provides that indemnification may not be made for any matter as to which a person has been adjudged by a court of competent jurisdiction to be liable to the corporation, unless and only to the extent a court determines that the person is entitled to indemnity for such expenses as the court deems proper.

The Delaware Bylaws provide that AmpliPhi Delaware shall indemnify directors, officers and agents to the fullest extent permitted by the DGCL or other applicable law and that AmpliPhi Delaware may purchase and maintain insurance on behalf of any person who is or was serving as a director, officer, employee or agent of the Company. The Delaware Charter provides that AmpliPhi Delaware is authorized to indemnify its directors, officers and agents to the maximum extent permitted by applicable law through bylaw provisions or agreements with such persons.

Washington Provisions

The RCW provides that a corporation may not indemnify a director in connection with a proceeding in which the director was adjudged liable to the corporation or in connection with any other proceeding charging improper personal benefit to the director in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

The Washington Bylaws provide that each person who was, is or is threatened to be made a named party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, by reason of the fact that he or she is or was a director or officer of the corporation or, that being or having been such a director or officer or an employee of the corporation, he or she is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation or of a partnership, joint venture, trust, employee benefit plan or other enterprise, whether the basis of a proceeding is alleged action in an official capacity as such a director, officer, partner, trustee, employee or agent or in any other capacity while serving as such a director, officer, partner, trustee, employee or agent, shall be indemnified and held harmless by the corporation against all expense, liability and loss actually and reasonably incurred or suffered by such indemnitee in connection therewith, and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, partner, trustee, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

Special Meetings of Shareholders

Delaware Provisions

Under the DGCL, a special meeting of stockholders may be called by the corporation's board of directors or by such persons as may be authorized by the corporation's certificate of incorporation or bylaws. The Delaware Bylaws provide that a special meeting may be called at any time by (i) the Chairman of the Board, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors.

Washington Provisions

Under the RCW, a corporation must hold a special meeting of shareholders upon request by the board of directors or by such persons authorized to do so by the articles of incorporation or bylaws. A corporation must also hold a special meeting of shareholders if the holders of at least ten percent of all votes entitled to be cast at a special meeting deliver to the corporation a demand for a special meeting. However, a corporation that is a public company may in its articles of incorporation limit or deny the right of shareholders to call a special meeting. A corporation other than a public company may require that shareholders who hold a greater amount than ten percent of the outstanding shares may call a special meeting of shareholders provided that the amount is not greater than twenty-five percent.

The Washington Charter and Bylaws provide that special meetings of shareholders may be called by (i) the Board, (ii) the Chairman of the Board, (iii) the President of the Company or (iv) upon written demand by the holders of at least 30% of all the votes entitled to be cast on any issue proposed to be considered at such meeting.

Amendment or Repeal of the Certificate of Incorporation

Delaware Provisions

Under the DGCL, unless the certificate of incorporation otherwise provides, amendments to the certificate of incorporation generally require the approval of the holders of a majority of the outstanding stock entitled to vote thereon, and if the amendment would increase or decrease the number of authorized shares of any class or series or the

par value of such shares, or would adversely affect the rights, powers or preferences of such class or series, a majority of the outstanding stock of such class or series also would have to approve the amendment. The Delaware Charter provides that the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting as a single class, is required to amend certain provisions of the Delaware Charter, including those related to the Board, indemnification of directors and officers, forum selection, and amendment of the Delaware Charter.

Washington Provisions

Under the RCW, the board of directors may amend the Company's articles of incorporation without shareholder approval (i) to change any provisions with respect to the par value of any class of shares, (ii) to delete the names and addresses of the initial directors, (iii) to delete the name and address of the initial registered agent or registered officer, (iv) if the corporation has only one class of shares outstanding, solely to effect a forward or reverse stock split, or (v) to change the corporate name. Other amendments to the articles of incorporation must be approved, in the case of a public company, by a majority of the votes entitled to be cast on the proposed amendment. The Washington Charter provides that the Company reserves the right to amend or repeal any provision by the affirmative vote of the holders of a majority of the outstanding shares, except that certain provisions relating to the bylaws, the board of directors, amendments of the charter, special meetings of shareholders and special voting requirements may only be amended by the affirmative vote of the holders of two-thirds of the outstanding shares.

Amendment to Bylaws

Delaware Provisions

Under the DGCL, directors may amend the bylaws of a corporation only if such right is expressly conferred upon the directors in its certificate of incorporation. The Delaware Bylaws provide that the Delaware Bylaws may be amended by the Board of Directors or upon the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

Washington Provisions

The RCW provides that the board of directors may amend or repeal the corporation's bylaws unless the articles of incorporation reserve this power exclusively to the shareholders or the shareholders, in amending or repealing a particular bylaw, provide expressly that the board of directors may not amend or repeal that bylaw. The shareholders may also amend or repeal the corporation's bylaws, or adopt new bylaws, even though the bylaws may also be amended or repealed by the board of directors. The Washington Charter and Bylaws provide that the Board of Directors has the power to adopt, amend or repeal the bylaws of the Company subject to approval by a majority of the Continuing Directors (defined as any member of the Board of Directors who was a member of the Board of Directors on January 1, 1994 or who is elected to the Board of Directors after January 1, 1994 upon the recommendation of a majority of the Continuing Directors voting separately and as a subclass of Directors on such recommendation), other than any bylaw that the shareholders have expressly provided may not be amended or repealed by the Board. The Washington Bylaws may also be amended by the affirmative vote of the holders of at least two-thirds of the outstanding shares.

Merger with Subsidiary

Delaware Provisions

The DGCL provides that a parent corporation may merge into a subsidiary and a subsidiary may merge into its parent, without stockholder approval, where such parent corporation owns at least 90% of the outstanding shares of each class of capital stock of its subsidiary.

Washington Provisions

The RCW provides that a parent corporation may merge a subsidiary into itself without shareholder approval if the parent corporation owns at least 90% of the outstanding shares of each class of capital stock of its subsidiary.

Committees of the Board of Directors

Delaware Provisions

The DGCL provides that the board of directors may delegate certain of its duties to one or more committees elected by a majority of the board of directors. A Delaware corporation can delegate to a committee of the board of directors, among other things, the responsibility of nominating candidates for election to the office of director, to fill vacancies on the board of directors, to reduce earned or capital surplus, and to authorize the acquisition of the corporation's own stock. Moreover, if the corporation's certificate of incorporation or bylaws, or the resolution of the board of directors creating the committee so permits, a committee of the board of directors may declare dividends and authorize the issuance of stock.

Washington Provisions

The RCW also provides that the board of directors may delegate certain of its duties to one or more committees elected by a majority of the board of directors. Under the RCW, each committee may exercise such powers of the board of directors specified by the board of directors; however, a committee may not (i) authorize or approve a distribution except in accordance with a general formula or method prescribed by the board of directors, (ii) approve or propose to shareholders any action that the RCW requires be approved by shareholders, (iii) fill vacancies on the board of directors or on any of its committees, (iv) amend the articles of incorporation, (v) adopt, amend or repeal bylaws, (vi) approve a plan of merger not requiring shareholder approval, or (vii) approve the issuance or sale of shares or determine the designation and relative rights, preferences and limitations of a class or series of shares.

Mergers, Acquisitions and Transactions with Controlling Shareholder

Delaware Provisions

Under the DGCL, a merger, consolidation, sale of all or substantially all of a corporation's assets other than in the regular course of business or dissolution of a corporation must be approved by a majority of the outstanding shares entitled to vote. No vote of stockholders of a constituent corporation surviving a merger, however, is required (unless the corporation provides otherwise in its certificate of incorporation) if (i) the merger agreement does not amend the certificate of incorporation of the surviving corporation; (ii) each share of stock of the surviving corporation outstanding before the merger is an identical outstanding or treasury share after the merger; and (iii) the number of shares to be issued by the surviving corporation in the merger does not exceed twenty percent (20%) of the shares outstanding immediately prior to the merger. The Delaware Charter does not make any provision with respect to such mergers.

Washington Provisions

Under the RCW, a merger, share exchange, consolidation, sale of substantially all of a corporation's assets other than in the regular course of business, or dissolution of a public corporation must be approved by the affirmative vote of a majority of directors when a quorum is present, and by two-thirds of all votes entitled to be cast by each voting group entitled to vote as a separate group, unless a higher or lower proportion is specified in the articles of incorporation.

The Washington Charter provides that if a merger is approved by a majority of the Continuing Directors (as defined in the Washington Charter), and is otherwise required to be approved by the Company's shareholders, such merger shall require the affirmative vote of not less than fifty-one percent (51%) of the outstanding shares entitled to vote thereon.

The RCW also provides that certain mergers need not be approved by the shareholders of the surviving corporation if (i) the articles of incorporation will not change in the merger, except for specified permitted amendments; (ii) no change occurs in the number, designations, preferences, limitations and relative rights of shares held by those shareholders who were shareholders prior to the merger; (iii) the number of voting shares outstanding immediately after the merger, plus the voting shares issuable as a result of the merger, will not exceed the authorized voting shares specified in the surviving corporation's articles of incorporation immediately prior to the merger; and (iv) the number of participating shares outstanding immediately after the merger, plus the number of participating shares issuable as a result of the merger, will not exceed the authorized participating shares specified in the corporation's articles of incorporation immediately prior to the merger.

Class Voting

Delaware Provisions

The DGCL requires voting by separate classes only with respect to amendments to the certificate of incorporation that adversely affect the holders of those classes or that increase or decrease the aggregate number of authorized shares or the par value of the shares of any of those classes.

Washington Provisions

Under the RCW, a corporation's articles of incorporation may authorize one or more classes of shares that have special, conditional or limited voting rights, including the right to vote on certain matters as a group. Under the RCW, a corporation's articles of incorporation may not limit the rights of holders of a class to vote as a group with respect to certain amendments to the articles of incorporation and certain mergers that adversely affect the rights of holders of that class.

Preemptive Rights

Delaware Provisions

Under Delaware law, a stockholder does not have preemptive rights unless such rights are specifically granted in the certificate of incorporation. The Delaware Charter does not specifically grant any preemptive rights.

Washington Provisions

Under Washington law, a shareholder has preemptive rights unless such rights are specifically denied in the articles of incorporation. The Washington Charter states that shareholders do not have any preemptive rights.

Transactions with Officers and Directors

Delaware Provisions

The DGCL provides that contracts or transactions between a corporation and one or more of its officers or directors or an entity in which they have an interest are not void or voidable solely because of such interest or the participation of the director or officer in a meeting of the board of directors or a committee which authorizes the contract or transaction if (i) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of disinterested directors, even though the disinterested directors are less than a quorum; (ii) the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee thereof or the stockholders.

Washington Provisions

The RCW sets forth a safe harbor for transactions between a corporation and one or more of its directors. A conflicting interest transaction may not be enjoined, set aside or give rise to damages if (i) it is approved by a majority of the qualified directors on the board of directors or an authorized committee, but in either case no fewer than two qualified directors; (ii) it is approved by a majority of all qualified shares; or (iii) at the time of commitment, the transaction was fair to the corporation. For purposes of this provision, “qualified director” is one who does not have (a) a conflicting interest respecting the transaction; or (b) a familial, financial, professional or employment relationship with a non-qualified director which relationship would reasonably be expected to exert an influence on the qualified director’s judgment when voting on the transaction. “Qualified shares” are defined generally as shares other than those beneficially owned, or the voting of which is controlled, by a director who has a conflicting interest respecting the transaction.

Stock Redemptions and Repurchases

Delaware Provisions

Under the DGCL, a Delaware corporation may purchase or redeem its own shares of capital stock, except when the capital of the corporation is impaired or when such purchase or redemption would cause any impairment of the capital of the corporation.

Washington Provisions

A Washington corporation may acquire its own shares.

Proxies

Delaware Provisions

Under the DGCL, a proxy executed by a stockholder will remain valid for a period of three years unless the proxy provides for a longer period.

Washington Provisions

Under the RCW, a proxy executed by a shareholder will remain valid for eleven months unless a longer period is expressly provided in the appointment.

Consideration for Stock

Delaware Provisions

Under the DGCL, a corporation may accept as consideration for its stock a combination of cash, property or past services in an amount not less than the par value of the shares being issued, and a secured promissory note or other binding obligation executed by the subscriber for any balance, the total of which must equal at least the par value of the issued stock, as determined by the board of directors.

Washington Provisions

Under the RCW, a corporation may issue its capital stock in return for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed, or other securities of the corporation.

Shareholders Rights to Examine Books and Records

Delaware Provisions

The DGCL provides that any stockholder of record may demand to examine the corporation's books and records for any proper purpose. If management of the corporation refuses, the stockholder can compel release of the books by court order.

Washington Provisions

The RCW provides that upon five business days' notice to the corporation a shareholder is entitled to inspect and copy, during regular business hours at the corporation's principal office, the corporation's articles of incorporation, bylaws, minutes of all shareholders' meetings for the past three years, certain financial statements for the past three years, communications to shareholders within the past three years, list of the names and business addresses of the current

directors and officers and the corporation's most recent annual report delivered to the secretary of state. Upon five business days' notice, so long as the shareholder's demand is made in good faith and for a proper purpose, the shareholder describes with reasonable particularity the shareholder's purpose and the records the shareholder desires to inspect, and the records are directly connected with the shareholder's purpose, a shareholder may inspect and copy excerpts from minutes of any meeting of the board of directors or other records of actions of the board of directors, accounting records of the corporation and the record of shareholders.

Appraisal and Dissenters' Rights

Under the DGCL and the RCW, shareholders have appraisal or dissenter's rights, respectively, in the event of certain corporate actions such as a merger. These rights include the right to dissent from voting to approve such corporate action, and demand fair value for the shares of the dissenting shareholder. If a proposed corporate action creating dissenters' rights is submitted to a vote at a shareholders meeting, a shareholder who wishes to assert dissenters' rights must (i) deliver to the corporation, before the vote is taken, written notice of his intent to demand payment for his shares if the proposed action is effected, and (ii) not vote his shares in favor of the proposed action. If fair value is unsettled, the DGCL and the RCW provide for the dissenter and the company to petition the Court of Chancery or a superior court of the county in Washington where a corporation's principal office or registered office is located, respectively. Although appraisal or dissenter's rights are substantially similar in Delaware and Washington, this discussion is qualified in its entirety by reference to the DGCL and the RCW, which provide more specific provisions and requirements for dissenting shareholders.

Dividends

Delaware Provisions

The DGCL provides that the corporation may pay dividends out of surplus, out of the corporation's net profits for the preceding fiscal year, or both, provided that there remains in the stated capital account an amount equal to the par value represented by all shares of the corporation's stock having a distribution preference.

Washington Provisions

The RCW provides that shares may be issued pro rata and without consideration to the corporation's shareholders as a share dividend. The board of directors may authorize distributions to its shareholders provided that no distribution may be made if after giving it effect, the corporation would not be able to pay its liabilities as they become due in the usual course of business or the corporation's total assets would be less than the sum of its total liabilities plus the amount that would be needed if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the

distribution.

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Corporate Action Without a Shareholder Meeting

Delaware Provisions

The DGCL permits corporate action without a meeting of stockholders upon the written consent of the holders of that number of shares necessary to authorize the proposed corporate action being taken, unless the certificate of incorporation or articles of incorporation expressly provide otherwise. The Delaware Charter provides that no action may be taken by the stockholders of the Company except at an annual or special meeting.

Washington Provisions

If the corporation is a public company, the RCW only permits action by shareholders without a meeting if the action is taken by all shareholders entitled to vote on the action. The Washington Bylaws provide that any action which could be taken at a meeting of the shareholders may be taken without a meeting if one or more written consents setting forth the action so taken are signed by all shareholders entitled to vote.

Will I have dissenters' rights as a result of the Reincorporation?

Under the RCW, shareholders of the Company are or may be entitled to assert dissenters' rights as a result of the proposed Reincorporation. Shareholders who oppose the Reincorporation may be entitled to assert the right to receive payment for the value of their shares as set forth in Chapter 23B.13 of the RCW. A copy of this section is attached hereto as Appendix C to this Proxy Statement. These provisions are very technical in nature and should be carefully reviewed by any shareholder wishing to assert such rights.

A shareholder who wishes to assert dissenters' rights must (a) deliver to the Company before the vote is taken written notice of the shareholder's intent to demand payment for the shareholder's shares if the Reincorporation is effected, and (b) not vote such shares in favor of the Reincorporation. The Company will not treat a vote against this proposal as a notice sufficient to meet such requirements. A vote for this proposal will serve as a waiver of dissenters' rights pursuant to Chapter 23B.13 of the RCW.

How will the Reincorporation be implemented?

Subject to shareholder approval at the annual meeting and certain other conditions, the Reincorporation will be effected by means of a merger pursuant to the terms of the Agreement and Plan of Merger, or the Merger Agreement, between AmpliPhi and AmpliPhi Biosciences Corporation, a Delaware corporation, or AmpliPhi Delaware, recently formed solely for the purpose of effecting the Reincorporation. Under the Merger Agreement, AmpliPhi will merge with and into AmpliPhi Delaware and, following the effectiveness of the merger, which we refer to as the Merger, AmpliPhi will cease to exist and AmpliPhi Delaware will become the surviving entity. Upon effectiveness of the Reincorporation, AmpliPhi Delaware will be the successor in interest to AmpliPhi and the shareholders of AmpliPhi will become stockholders of AmpliPhi Delaware.

What is the timing of the Reincorporation?

If shareholders approve the Reincorporation at the annual meeting, we intend to cause the Reincorporation to become effective as soon as practicable, subject to the completion of certain legal formalities, including obtaining certain consents and approval by third parties. The Reincorporation will become effective upon the filing of a Certificate of Merger or similar document with the Secretary of State of Delaware.

Does AmpliPhi have the right to abandon the Reincorporation?

Pursuant to the Merger Agreement, AmpliPhi and AmpliPhi Delaware agree to take all actions that Delaware law and Washington law require for AmpliPhi and AmpliPhi Delaware to effect the Reincorporation, subject to the approval of the Reincorporation by the shareholders of AmpliPhi and the sole shareholder of AmpliPhi Delaware.

Notwithstanding the foregoing, the Merger Agreement provides that the Board of Directors may abandon the Reincorporation at any time prior to its consummation if the Board of Directors determines that the Reincorporation is inadvisable for any reason. For example, Delaware or Washington law may be changed to reduce the benefits that we hope to achieve through the Reincorporation, or the costs of operating as a Delaware corporation may be increased, although we do not know of any such changes under consideration. The Merger Agreement may be amended at any time prior to its consummation, either before or after the shareholders have voted to adopt the proposal, subject to applicable law. We will re-solicit shareholder approval of the Reincorporation if the terms of the Merger Agreement are changed in any material respect.

What will happen to my shares of common stock as a result of the Reincorporation?

On the effective date of the Merger, each outstanding share of common stock of AmpliPhi will be automatically converted into one share of common stock of AmpliPhi Delaware. Any stock certificate representing issued and outstanding shares of common stock of AmpliPhi will continue to represent the same number of shares of common stock of AmpliPhi Delaware.

ANY SHARE CERTIFICATES CURRENTLY ISSUED FOR OUR SHARES WILL AUTOMATICALLY REPRESENT SHARES IN AMPLIPHI DELAWARE UPON COMPLETION OF THE MERGER, AND SHAREHOLDERS WILL NOT BE REQUIRED TO SURRENDER OR EXCHANGE ANY SHARE CERTIFICATES AS A RESULT OF THE REINCORPORATION.

Will the common stock continue to be listed for trading after the Reincorporation?

Our common stock is listed for trading on the NYSE MKT under the ticker symbol “APHB.” After the Reincorporation, AmpliPhi Delaware’s common stock would continue to be traded on the NYSE MKT without interruption, under the same symbol.

Will the reincorporation impact AmpliPhi Washington’s registration statements with the SEC?

No. The registration statements of AmpliPhi Washington on file with the SEC immediately prior to the Reincorporation will be assumed by AmpliPhi Delaware.

What will be the impact of the Reincorporation on AmpliPhi's Employee Benefit and Incentive Compensation Plans?

Each outstanding option and restricted stock unit to purchase or receive shares of our common stock will be converted into an option and restricted stock unit, respectively, to purchase or receive the same number of shares of AmpliPhi Delaware common stock with no other changes in the terms and conditions of such award. Shareholders should note that approval of this proposal would also constitute approval of the assumption by AmpliPhi Delaware of the 2009 Stock Incentive Plan, 2012 Stock Incentive Plan, 2013 Stock Incentive Plan, and, if approved by shareholders at the annual meeting, the 2016 Equity Incentive Plan and the 2016 Employee Stock Purchase Plan. Up to 723,431 shares of common stock remain available for issuance under the 2013 Stock Incentive Plan, and, if approved by shareholders at the annual meeting, up to 2,373,000 shares of common stock may be issued under the 2016 Equity Incentive Plan and up to 120,000 shares of common stock may be issued under the 2016 Employee Stock Purchase Plan. AmpliPhi's other employee benefit arrangements would also be continued by AmpliPhi Delaware upon the terms and subject to the conditions in effect prior to the Reincorporation.

Interest of AmpliPhi's Directors and Executive Officers in the Reincorporation

Our shareholders should be aware that certain of our directors and executive officers may have interests in the transaction that are different from, or in addition to, the interests of the shareholders generally. For example, the Reincorporation may be of benefit to our directors and officers by reducing their potential personal liability and increasing the scope of permitted indemnification, by strengthening directors' ability to resist a takeover bid, and in other respects. The Board of Directors was aware of these interests and considered them, among other matters, in reaching its decision to approve the Reincorporation and to recommend that our shareholders vote in favor of this proposal.

Accounting Consequences Associated with the Reincorporation

The consolidated financial condition and results of operations of AmpliPhi Delaware immediately after consummation of the Reincorporation will be substantially identical as those of AmpliPhi immediately prior to the consummation of the Reincorporation. We believe that there will be no material accounting impact as a result of the Reincorporation.

Certain U.S. Federal Income Tax Consequences

The following discussion summarizes certain U.S. federal income tax consequences of the Reincorporation to holders of our common stock. The discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, regulations promulgated under the Code by the U.S. Treasury Department (including proposed and temporary regulations), rulings, current administrative interpretations and official pronouncements of the Internal Revenue Service, or the IRS, and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. Such change could materially and adversely affect the tax consequences described below. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described herein. No ruling from the IRS has been or will be sought with respect to any aspect of the transactions described herein.

This discussion is for general information only, and does not purport to discuss all potential tax effects of the Reincorporation. For example, it does not consider the effect of any applicable state, local, or non-U.S. tax laws, or any non-income tax laws (such as estate and gift tax laws). In addition, it does not address all aspects of U.S. federal income taxation that may affect particular holders in light of their particular investment or tax circumstances, including, without limitation, holders subject to special tax rules, such as partnerships, subchapter S corporations or other entities that are fiscally transparent for U.S. federal income tax purposes, banks, financial institutions, tax-exempt entities, insurance companies, regulated investment companies, real estate investment trusts, trusts and estates, dealers in stocks, securities or currencies, traders in securities that have elected to use the mark-to-market method of accounting for their securities, persons holding our common stock as part of an integrated transaction, including a “straddle,” “hedge,” “constructive sale,” or “conversion transaction,” persons whose functional currency for tax purposes is not the U.S. dollar, persons who acquired our common stock pursuant to the exercise of stock options or otherwise as compensation, persons whose common stock constitutes qualified business stock with the meaning of Section 1202 of the Code, and persons who are not “U.S. persons” as defined below. This summary also does not consider any alternative minimum or Medicare “net investment income” tax considerations. Furthermore, this discussion does not address the tax consequences of transactions occurring prior to or after the Reincorporation (whether or not such transactions are in connection with the Reincorporation).

This discussion is directed solely to holders that hold our common stock as capital assets within the meaning of Section 1221 of the Code, which generally means as property held for investment. In addition, the following

discussion only addresses “U.S. persons” for U.S. federal income tax purposes, generally defined as beneficial owners of our common stock who are:

- Individuals who are citizens or residents of the United States for U.S. federal income tax purposes;

Corporations (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or of any state of the United States or the District of Columbia;

- Estates the income of which is subject to U.S. federal income taxation regardless of its source;

Trusts if a court within the United States is able to exercise primary supervision over the administration of any such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust; or

Trusts in existence on August 20, 1996 that have valid elections in effect under applicable Treasury regulations to be treated as U.S. persons.

Holders of our common stock who are not covered by this summary, including partners of partnerships and owners of other pass-through entities holding our capital stock, should consult their own tax advisors.

This discussion does not purport to be a complete analysis of all of the Reincorporation’s tax consequences that may be relevant to holders. We urge you to consult your own tax advisor regarding your particular circumstances and the U.S. federal income and other federal tax consequences to you of the Reincorporation, as well as any tax consequences arising under the laws of any state, local, foreign or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws.

Subject to the caveats and qualifications noted above, we believe:

- The Reincorporation will constitute a tax-free reorganization under Section 368(a) of the Code;

- No gain or loss will be recognized by holders on the exchange of their AmpliPhi Washington common stock on receipt of AmpliPhi Delaware common stock pursuant to the Reincorporation;

The aggregate tax basis of AmpliPhi Delaware common stock received by each holder will equal the aggregate tax basis of the AmpliPhi Washington common stock surrendered by such holder in exchange therefor; and

The holding period of the AmpliPhi Delaware common stock received by each holder will include the period during which such holder held the AmpliPhi Washington common stock surrendered in exchange therefor.

Vote Required

Votes “For” the proposal by at least 51% of the outstanding shares of common stock on the record date is required to approve the Reincorporation Proposal. Approval of this Reincorporation Proposal will constitute approval of the Merger Agreement and therefore the Reincorporation itself. A vote in favor of the Reincorporation Proposal is also effectively a vote to approve the form of the Delaware Charter and the Delaware Bylaws. If the shareholders approve the Merger Agreement and the Reincorporation is effected, the Delaware Charter and the Delaware Bylaws will become the certificate of incorporation and bylaws of the surviving corporation.

The Board of Directors Recommends

a Vote “For” Proposal 4.

PROPOSAL 5

Approval of the issuance of up to an aggregate of 1,037,053 shares of common stock

as and to the extent required to be issued pursuant to the terms of that certain

Common Stock Issuance Agreement, dated April 8, 2016, by and among the Company and certain former holders of the Company's Series B convertible preferred stock

Background

On April 8, 2016, certain holders (the "Holders") of over two-thirds of the Company's then-outstanding shares of Series B convertible preferred stock ("Series B Preferred") elected to automatically convert all outstanding shares of Series B Preferred into shares of common stock in accordance with Section 4.4.4(b)(ii) of the Company's Amended and Restated Articles of Incorporation, as amended (the "Conversion"). On April 8, 2016, the Company entered into a Common Stock Issuance Agreement (the "Agreement") with the Holders, pursuant to which the Holders waived their right to receive approximately \$2.2 million in aggregate cash payments to which they were entitled upon the Conversion in respect of accrued dividends on their former shares of Series B Preferred and waived their registration rights with respect to certain future registration statements that may be filed, and certain future public offerings that may be conducted, by the Company.

As consideration for the foregoing waivers by the Holders, the Company issued the Holders an aggregate of 853,465 shares of common stock (the "Transaction Shares") in a transaction constituting a private placement, at an effective price per share (taking into consideration the waiver of the accrued dividends) that was less than the greater of the Company's book or market value per share. Immediately prior to such issuance on April 8, 2016, there were 5,883,503 shares of common stock outstanding. The number of Transaction Shares represented approximately 14.5% of the shares outstanding prior to the issuance of such shares.

Pursuant to Section 713(a) of the NYSE MKT Company Guide, shareholder approval is generally required prior to the issuance of securities in connection with a transaction other than a public offering involving: (i) the sale, issuance, or potential issuance by the issuer of common stock (or securities convertible into common stock) at a price less than the greater of book or market value which together with sales by officers, directors or principal shareholders of the issuer equals 20% or more of presently outstanding common stock; or (ii) the sale, issuance, or potential issuance by the issuer of common stock (or securities convertible into common stock) equal to 20% or more of presently outstanding stock for less than the greater of book or market value of the stock.

Pursuant to the Agreement, as further consideration for the waivers provided by the Holders described above, the Company agreed that if in the future it conducts one or more bona fide equity financings in which it sells shares of its common stock or preferred stock at a price of less than \$4.05 per share (each, a “Dilutive Financing”), the Company will, to the extent permitted by NYSE MKT rules, issue to the Holders, for no additional consideration, a number of additional shares of common stock (“Additional Shares”) based on a specified formula, as described further below. We refer to the foregoing rights as the “Additional Issuance Rights”. Any Additional Shares that the Company issues pursuant to the Additional Issuance Rights would be aggregated with the Transaction Shares for purposes of determining whether the total number of Additional Shares issued equals or exceeds 20% of the Company’s outstanding stock as of immediately prior to the issuance of the Transaction Shares (the “NYSE 20% Cap”). Accordingly, absent shareholder approval, the maximum number of Additional Shares that the Company can issue pursuant to Section 713(a) of the NYSE MKT Company Guide without shareholder approval is 323,235 shares. If the shareholders do not approve this proposal at the annual meeting, the Company could be required to make cash payments to the Holders in lieu of issuing Additional Shares, as described further below.

If the Company conducts a Dilutive Financing, the Holders will be entitled to receive (absent consideration of the NYSE 20% Cap) in the aggregate a number of Additional Shares equal to (A) the product of (x) 1,037,053 multiplied by (y) a fraction, the numerator of which is \$4.05 and the denominator of which is the lowest price per share paid by investors in such Dilutive Financing (the “Effective Price”) less (B) 1,037,053 and all Additional Shares issued previously to the Holders pursuant to the Additional Issuance Rights. The Agreement includes a provision intended to limit the Company’s obligation to issue Additional Shares to the extent such Additional Shares would exceed the 20% limit on the number of shares that can be issued without shareholder approval pursuant to Section 713(a) of the NYSE MKT Company Guide.

The Company's obligation to issue Additional Shares in the event of a Dilutive Financing only applies to the lowest priced financing conducted after the date of the Agreement. For example, if the Company completes a Dilutive Financing priced at \$3.50 a share followed by a Dilutive Financing priced at \$3.75 a share, the obligation to issue Additional Shares would be triggered by the first Dilutive Financing but not the second Dilutive Financing. In addition, the Company's obligation to issue Additional Shares will expire on June 30, 2018 or at such earlier time as the Company has raised at least \$10.0 million in gross proceeds from the sale of its common stock and/or preferred stock in one or more bona fide financings.

Reason for Seeking Shareholder Approval

Pursuant to the Agreement, the Company agreed to use its commercially reasonable efforts to obtain shareholder approval of the issuance of up to 1,037,053 Additional Shares to the Holders as and to the extent required by the Agreement in connection with one or more Dilutive Financings. If the shareholders approve this proposal, such number of Additional Shares may be issued to the Holders even if the issuance of such shares would, when aggregated with the Transaction Shares, exceed the NYSE 20% Cap. If the shareholders do not approve this proposal, the maximum number of Additional Shares that the Company may issue in satisfaction of the Additional Issuance Rights in accordance with Section 713(a) of the NYSE MKT Company Guide will be 323,235 shares.

If the Company's shareholders do not approve this proposal at the annual meeting, then in lieu of issuing any Additional Shares that would have been required to be issued to a Holder pursuant to the operation of the Additional Issuance Rights but for the limitations imposed by NYSE 20% Cap (the "Excess Shares"), the Company will, to the extent legally permitted, pay to such Holder a cash amount per Excess Share equal to the difference between the lowest price per share paid by investors in such Dilutive Financing and \$4.05, less any cash payment per share previously made to such Holder pursuant to the Agreement (the "Cash Make-Whole").

Certain Consequences if the Proposal is Approved or Not Approved

The Company believes the approval of this proposal will provide the Company with increased flexibility to raise financing through the sale of its capital stock at market or negotiated prices in one or more Dilutive Financing transactions by reducing or eliminating the application of the Cash Make-Whole provision.

If the proposal is not approved, the Company may be required to make cash payments to the Holders pursuant to the Cash Make-Whole in connection with one or more Dilutive Financing transactions. If the Cash Make-Whole would be triggered by a proposed Dilutive Financing, the potential payment obligations could make such Dilutive Financing less feasible and financially viable for the Company, particularly if the proceeds to be received by the Company in

such financing would not significantly exceed the Cash Make-Whole payments, and thereby jeopardize the Company's ability to raise capital in a Dilutive Financing that could otherwise provide needed cash resources to the Company. Even if the Company is able to complete a Dilutive Financing, any Cash Make-Whole payments would deplete the Company's cash resources at a time when the Company's cash resources are limited.

The Company's shareholders will incur dilution of their percentage ownership interest in the Company to the extent the Company issues Additional Shares to the Holders pursuant to the Additional Issuance Rights. The Company's shareholders will incur greater ownership interest dilution to the extent this proposal is approved and the Company becomes required to issue some or all of the 1,037,053 Additional Shares that are the subject to this proposal, which shares the Company would not otherwise have been permitted to issue pursuant to the NYSE 20% Cap. In addition, because the Additional Shares will be issued for no additional consideration, any such issuance would reduce the net tangible book value per share of the Company. However, to the extent Additional Shares are not issued when otherwise required by the Agreement due to the NYSE 20% Cap, the payments by the Company in satisfaction of the Cash Make-Whole will also reduce the net tangible book value per share of the Company, as well as the overall net tangible book value.

Interest of Certain Persons in the Proposal

One Funds, an entity affiliated with Jeremy Curnock Cook, the Chairman of the Company's Board of Directors, is a party to the Agreement as a Holder. The Agreement was approved by the Company's Audit Committee and no special terms were given to Mr. Cook or One Funds.

Vote Required

In order for Proposal 5 to be approved, the number of shares that vote “For” the proposal must exceed the number of shares that vote “Against” the proposal. Abstentions will be counted towards the vote total for Proposal 5 and will have the same effect as “Against” votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

The Board of Directors Recommends

a Vote “For” Proposal 5.

51.

Proposal 6

Approval of the issuance by the Company of up to an aggregate of 4,706,000 shares of common stock and/or warrants to purchase common stock in a financing that does not constitute a public offering under NYSE MKT rules, for gross sale proceeds of up to \$12,000,000 and at a discount to the then-current market value of the Company's Common Stock not to exceed 15%

Pursuant to Section 713(a) of the NYSE MKT Company Guide, shareholder approval is generally required prior to the issuance of securities in connection with a transaction other than a public offering involving (each of the following, a "Discounted Private Placement"): (i) the sale, issuance, or potential issuance by the issuer of common stock (or securities convertible into common stock) at a price less than the greater of book or market value which together with sales by officers, directors or principal shareholders of the issuer equals 20% or more of presently outstanding common stock; or (ii) the sale, issuance, or potential issuance by the issuer of common stock (or securities convertible into common stock) equal to 20% or more of presently outstanding stock for less than the greater of book or market value of the stock. The foregoing 20% limitations are referred to in this proposal as the "NYSE 20% Cap".

The Company is seeking shareholder approval of the potential issuance by the Company in one or more Discounted Private Placement transactions of up to an aggregate of 4,706,000 shares of the Company's common stock and/or warrants exercisable for common stock, for aggregate proceeds of up to \$12 million, at a price per share that is equal to or greater than 85% of the market price per share of common stock as most recently reported on the NYSE MKT prior to the entry into a definitive transaction agreement for the financing, without further shareholder approval. Approval of this proposal at the annual meeting will permit the Company to complete one or more Discounted Private Placements only if the definitive agreement for any such Discounted Private Placement is entered into no later than 90 days following the date of the annual meeting. . Any definitive agreement for a Discounted Private Placement entered into more than 90 days following the date of the annual meeting would again be subject to any shareholder approval required under Section 713(a) of the NYSE MKT Company Guide.

The Company currently anticipates using the proceeds of any Discounted Private Placement approved by the shareholders pursuant to this proposal for general corporate purposes, including manufacturing expenses, clinical trial expenses, research and development expenses and general and administrative expenses.

If the Company issues shares of its common stock or common stock warrants in one or more Discounted Private Placement transactions, existing shareholders will incur dilution of their percentage ownership interest in the Company and may also incur dilution in the value of their investment in the Company depending on the price per share sold in such transaction.

The Company believes that the approval of this proposal will provide the Company with increased flexibility to raise financing through the sale of its capital stock at negotiated prices. The Company currently anticipates that its existing cash resources will be sufficient to fund its planned operations into the third quarter of 2016. As a result, it is critical for the Company to raise additional capital within the next several months. The Company's ability to raise significant cash proceeds from a registered public offering is limited as a result of the market value of the Company's outstanding common stock held by non-affiliates, or public float, which was approximately \$ million as of the date of this proxy statement. Due to the Company's public float being less than \$75.0 million, the rules of the Securities and Exchange Commission limit the dollar amount of securities the Company may sell under a registration statement on Form S-3 to one-third of the Company's public float (or approximately \$ million as of the date of this proxy statement) during any 12-month period for so long as the Company's public float remains below \$75.0 million. In addition, certain registered offerings are not considered to be "public offerings" under the rules of the NYSE MKT, and consequently the NYSE 20% Cap may further limit the Company's ability to raise capital, even if the offering is registered on Form S-3, so that the Company may not be permitted to raise the amounts otherwise permitted under Form S-3. In addition, completing a registered offering on Form S-1 is a significantly lengthier and generally more expensive process than both a private placement and an offering pursuant to a Form S-3 registration statement. Consequently, the Company is seeking approval of this proposal to provide it with increased financing flexibility and enable it to potentially raise up to an aggregate of \$12 million through one or more Discounted Private Placement transactions, which would be in excess of what it could currently raise on Form S-3 or in any offering subject to the NYSE 20% Cap.

In order for Proposal 6 to be approved, the number of shares that vote “For” the proposal must exceed the number of shares that vote “Against” the proposal. Abstentions will be counted towards the vote total for Proposal 6 and will have the same effect as “Against” votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

The Board of Directors Recommends

a Vote “For” Proposal 6.

This proxy statement shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company, nor shall there be any offer, solicitation, or sale of any securities of the Company in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Proposal 7

Ratification of Selection of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has selected Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016 and has further directed that management submit the selection of its independent registered public accounting firm for ratification by the shareholders at the annual meeting. Ernst & Young LLP was selected as our independent accountant as of January 20, 2015. Prior to selecting Ernst & Young LLP, PBMares, LLP served as our independent registered public accounting firm, including for the fiscal year ended December 31, 2014. Representatives of Ernst & Young LLP are expected to be present at the annual meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions. Representatives of PBMares, LLP are not expected to be present at the annual meeting

Neither the Company's Bylaws nor other governing documents or law require shareholder ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm. However, the Audit Committee of the Board is submitting the selection of Ernst & Young LLP to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the selection, the Audit Committee of the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee of the Board in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of the Company and its shareholders.

In order for Proposal 7 to be approved, the number of shares that vote "For" the proposal must exceed the number of shares that vote "Against" the proposal. Abstentions will be counted towards the vote total for Proposal 7 and will have the same effect as "Against" votes. Broker non-votes, if any, are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

Principal Accountant Fees and Services

The following table represents aggregate fees billed to us for the fiscal years ended December 31, 2015 and December 31, 2014 by Ernst & Young LLP, our current principal accountant.

Fiscal Year	Fiscal Year
Ended	Ended
December 31,	December 31,

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	2015	2014
Audit Fees	\$ 534,000	\$ 382,000
Audit Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	\$ 534,000	\$ 382,000

The following table represents aggregate fees billed to us for the fiscal years ended December 31, 2015 and December 31, 2014 by PBMares, LLP, our former principal accountant.

	Fiscal Year Ended December 31, 2015	Fiscal Year Ended December 31, 2014
Audit Fees	\$ 51,551	\$ 132,775
Audit Related Fees	-	118,950
Tax Fees	-	-
All Other Fees	-	69,947
Total	\$ 51,551	\$ 321,672

54.

Representatives of Ernst & Young LLP attended all of the meetings of the Audit Committee occurring between and including the dates of January 20, 2015 and December 31, 2015. Representatives of PBMares, LLP attended all of the meetings of the Audit Committee during the period commencing on January 1, 2014 and ending on January 20, 2015.

Pre-Approval Policies and Procedures

The Audit Committee approves in advance the engagement and fees of the independent registered public accounting firm for all audit services and non-audit services, based upon independence, qualifications and, if applicable, performance. The Audit Committee may form and delegate to subcommittees of one or more members of the Audit Committee the authority to grant pre-approvals for audit and permitted non-audit services, up to specific amounts. All audit services provided by Ernst & Young LLP and PBMares, LLP for the periods presented were pre-approved by the Audit Committee.

Change in Independent Registered Public Accounting Firm

On January 20, 2015, we dismissed PBMares, LLP as our independent registered public accounting firm. The reports of PBMares, LLP on our financial statements for the year ended December 31, 2014 did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to audit scope or accounting principles. The decision to change auditors was approved by the Audit Committee.

During our two most recent fiscal years, and in the interim period ending on the date of our dismissal of PBMares, LLP, we have not had any disagreements with PBMares, LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to PBMares LLP's satisfaction, would have caused them to make reference thereto in their reports on our financial statements for such periods.

During our two most recent fiscal years, and in the interim period ending on the date of our dismissal of PBMares, LLP, there were no reportable events, as defined in Item 304(a)(1)(v) of Regulation S-K. PBMares, LLP provided us with a letter addressed to the SEC confirming PBMares, LLP's agreement with the foregoing disclosures. A copy of the letter from PBMares, LLP, dated January 22, 2015, is included as Exhibit 16.1 to our Current Report on Form 8-K filed with the SEC on January 23, 2015.

Ability to Continue as a Going Concern

The report of Ernst & Young LLP on the consolidated financial statements of the Company for the fiscal year ended December 31, 2015, included in the Form 10-K filed with the Securities and Exchange Commission on March 30, 2016 states that the Company has incurred net losses since its inception, has negative operating cash flows and has an accumulated deficit of \$362.5 million as of December 31, 2015, \$47.0 million of which has been accumulated since January of 2011, when the Company began its focus on bacteriophage development, which raise substantial doubts about the Company's ability to continue as a going concern. Other than the foregoing, Ernst & Young LLP's report on the financial statements for the past two years contained no adverse opinion or disclaimer of opinion and was not qualified as to audit scope or accounting principles.

The Board Of Directors Recommends

A Vote "For" Proposal 7.

55.

Executive Officers

The following table sets forth information regarding our executive officers as of the date of this proxy statement.

Name	Age	Position
M. Scott Salka	54	Chief Executive Officer, Director
Steve R. Martin	55	Chief Financial Officer
Wendy S. Johnson	64	Interim Chief Operating Officer, Director

The following is biographical information for Steve R. Martin, our Chief Financial Officer. The biographical information for our other executive officers, Mr. Salka and Ms. Johnson, is included under Proposal 1.

Steve R. Martin has served as our Chief Financial Officer since January 2016. Mr. Martin served as Senior Vice President and Chief Financial Officer of Applied Proteomics, Inc., a molecular diagnostics company, from December 2014 to August 2015. From June 2011 to December 2014, Mr. Martin served as Senior Vice President and Chief Financial Officer of Apricus Biosciences, Inc., a publicly traded pharmaceutical company, and served as the Interim Chief Executive Officer of Apricus from November 2012 through March 2013. From 2008 to January 2011, Mr. Martin served as Senior Vice President and Chief Financial Officer of BakBone Software, a publicly traded software company. During his final 10 months with BakBone until the company's acquisition in January 2011, Mr. Martin also served as BakBone's Interim Chief Executive Officer. From 2005 to 2007, Mr. Martin served as Chief Financial Officer of Stratagene Corporation, a publicly traded research products and clinical diagnostics company. Mr. Martin's previous experience also includes serving as Controller with Gen-Probe Incorporated, a publicly traded molecular diagnostics company, as well as 10 years with Deloitte & Touche LLP, a public accounting firm. Mr. Martin holds a B.S. degree from San Diego State University and is a certified public accountant.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and
- all of our current executive officers and directors as a group.

The percentage ownership information in the table below is based on 8,242,528 shares of common stock outstanding as of April 30, 2016.

Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of more than 5% of our common stock, unless otherwise indicated. We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of common stock issuable pursuant to the exercise of stock options or warrants that are either immediately exercisable or exercisable on or before June 29, 2016, which is 60 days after April 30, 2016. These shares are deemed to be outstanding and beneficially owned by the person holding those options or warrants for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Except as otherwise noted below, the address for each person or entity listed in the table is c/o AmpliPhi Biosciences Corporation, 3579 Valley Centre Drive, Suite 100, San Diego, California 92130.

Beneficial Owner	Beneficial Ownership		
	Number of Shares	Percent of Total	
5% or Greater Shareholders			
Randal J. Kirk ⁽¹⁾			
c/o Third Security, LLC	1,764,197	21.0	%
1881 Grove Avenue			
Radford, Virginia 24141	1,630,905	19.0	%

Pendinas Limited ⁽²⁾ Ballacarrick, Poolvaish Road Isle of Man, IM9 4PJ			
Phillip Asset Management Limited ⁽³⁾ Level 12, 15 William Street Melbourne VIC Australia	654,914	7.9	%
Broadfin Healthcare Master Fund, LTD ⁽⁴⁾ 20 Genesis Close Ansbacher House, Second Floor Grand Cayman KY1-1108 Cayman Islands	620,000	7.5	%
Dr. Anthony M. Smithyman and Margaret Smithyman ⁽⁵⁾ 14 Norfolk Avenue Collaroy, NSW 2097 Australia	507,412	6.2	%
Directors and Named Executive Officers			
M. Scott Salka ⁽⁶⁾	40,285	*	
Jeremy Curnock Cook ⁽⁷⁾	677,550	8.1	%
Louis Drapeau ⁽⁸⁾	13,454	*	
Michael S. Perry, Ph.D. ⁽⁹⁾	7,869	*	
Vijay B. Samant	-	-	
Paul C. Grint, M.D.	-	-	
Wendy Johnson ⁽¹⁰⁾	25,254	*	
David E. Boshier	-	-	
All current executive officers and directors as a group (8 persons)⁽¹¹⁾	764,412	9.1	%

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* Represents beneficial ownership of less than 1%.

- Based solely upon a Schedule 13D filed with the SEC on March 16, 2015. According to the Schedule 13D and giving effect to the 1-for-50 reverse stock split of the Company's common stock effected on August 3, 2015, or the Reverse Stock Split, and the conversion of all outstanding shares of Series B redeemable convertible preferred stock into shares of common stock on April 8, 2016, or the Series B Conversion, consists of (a) 828,571 shares of common stock held by NRM VII Holdings I, LLC, which we refer to as NRM VII Holdings, (b) 107,142 shares of common stock issuable upon exercise of warrants held by NRM VII Holdings, (c) 758,788 shares of common stock held by Intrexon Corporation, and (d) 69,696 shares of common stock issuable upon exercise of warrants held Intrexon Corporation. Third Security, LLC is the Manager of Third Security Capital Partners VII, LLC, which is the Manager of NRM VII Holdings. Third Security, LLC has sole voting and investment power over the shares
- (1) beneficially owned by NRM VII Holdings listed in the foregoing clauses (a) and (b), and consequently Third Security beneficially owns approximately 11.2% of our common stock. Randal J. Kirk is the Manager of Third Security, LLC. Shares held by this entity may be deemed to be indirectly beneficially owned (as defined under Rule 13d-3 promulgated under the Exchange Act) by Mr. Kirk. Mr. Kirk disclaims beneficial ownership of such shares, except to the extent of any pecuniary interest therein. Randal J. Kirk, directly and through certain affiliates, has voting and dispositive power over a majority of the outstanding capital stock of Intrexon Corporation. Mr. Kirk may therefore be deemed to have voting and dispositive power over the shares of the issuer owned by Intrexon Corporation. Shares held by Intrexon Corporation may be deemed to be indirectly beneficially owned (as defined under Rule 13d-3 promulgated under the Exchange Act) by Mr. Kirk. Mr. Kirk disclaims beneficial ownership of such shares, except to the extent of any pecuniary interest therein.
- Based in part upon a Form 4 filed with the SEC on February 24, 2014 filed by Gwynn Williams, who may be deemed to control Pendinas Limited. After giving effect to the Reverse Stock Split and Series B Conversion,
- (2) consists of 1,294,861 shares of common stock and 336,044 shares of common stock issuable upon exercise of warrants.
- Consists of (a) 567,903 shares of common stock held by One Fund Management Limited as Trustee for Asia Pacific Healthcare Fund II, which is also known as Phillip Asset Management Limited as Trustee for Asia Pacific Healthcare Fund II ("Phillip Asset Management"), and (b) an aggregate of 87,011 shares of common stock issuable
- (3) upon exercise of warrants held by Phillip Asset Management. Phillip Asset Management holds all securities in its capacity as trustee for Bioscience Managers Pty Ltd. Jeremy Curnock Cook, the Chairman of our Board of Directors, is a Managing Director and holds an ownership interest in Bioscience Managers Pty Ltd.
- Based solely upon a Schedule 13G filed with the SEC on February 12, 2016. According to the Schedule 13G, this amount consists of 552,000 shares of our common stock and 68,000 shares of common stock issuable upon the exercise of warrants. Broadfin Capital, LLC serves as investment adviser to Broadfin Healthcare Master Fund,
- (4) LTD with the power to direct investments and/or sole power to vote the shares owned by Broadfin Healthcare Master Fund, LTD. Kevin Kotler is the Managing Member of Broadfin Capital, LLC. Mr. Kotler has voting and dispositive power over the shares held by Broadfin Healthcare Master Fund, LTD. Mr. Kotler disclaims beneficial ownership of all shares beneficially owned, except to the extent of his pecuniary interests in such shares.
- Based solely upon a Schedule 13G filed with the SEC on April 27, 2015. According to the Schedule 13G and giving effect to the Reverse Stock Split, consists of (a) 211,966 shares of common stock held by Dr. Anthony M. Smithyman, (b) 237,829 shares of common held by Margaret Smithyman, (c) 17,617 shares of common stock held
- (5) jointly, and (d) 40,000 shares of common stock held by Cellabs Pty Ltd., an Australian biotechnology company controlled by Dr. Smithyman. Dr. Smithyman disclaims beneficial ownership over the shares held by Ms. Smithyman.
- (6) Includes 36,085 shares of common stock that Mr. Salka has the right to acquire from us within 60 days of April 30, 2016, pursuant to the exercise of stock options.

(7) Includes the shares reference in Footnote 3 above and 19,336 shares of common stock that Mr. Cook has the right to acquire from us within 60 days of April 30, 2016, pursuant to the exercise of stock options.

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- (8) Includes 3,454 shares of common stock that Mr. Drapeau has the right to acquire from us within 60 days of April 30, 2016, pursuant to the exercise of stock options.
- (9) Includes 5,569 shares of common stock that Dr. Perry has the right to acquire from us within 60 days of April 30, 2016, pursuant to the exercise of stock options.
 - (10) Includes 24,254 shares of common stock that Ms. Johnson has the right to acquire from us within 60 days of April 30, 2016, pursuant to the exercise of stock options.
- (11) Consists of (a) 588,703 shares of common stock, (b) 87,011 shares of common stock issuable upon exercise of warrants, and (d) 88,698 shares of common stock exercisable within 60 days of April 30, 2016.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2015, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with; except an initial report of ownership was filed late on behalf of Mr. Salka and a report of the acquisition of securities was filed late on behalf of Mr. Curnock Cook related to his indirect ownership in One Fund Management Limited as Trustee for Asia Pacific Healthcare Fund II.

Equity Compensation Plan Information

In March 2009, our Board of Directors and shareholders adopted the 2009 Stock Incentive Plan, which we refer to as the 2009 Stock Incentive Plan. There are no shares of common stock remaining for future awards under the 2009 Stock Incentive Plan.

In October 2012, our Board of Directors approved and adopted the 2012 Stock Incentive Plan, which we refer to as the 2012 Stock Incentive Plan. There are no shares of common stock remaining for future awards under the 2012 Stock Incentive Plan.

In December 2013, our Board of Directors adopted the 2013 Stock Incentive Plan, or the 2013 Plan. Under the 2013 Plan, we are authorized to issue up to 1,320,000 shares of our common stock in stock option and other stock incentive awards to employees, directors and consultants. Our shareholders approved the 2013 Plan in February 2014 and an amendment to the plan in August 2015. The 2013 Plan replaces the 2012 Stock Incentive Plan.

The following table provides information as of December 31, 2015 with respect to our equity compensation plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	599,669	\$ 8.52	723,431
Equity compensation plans not approved by security holders ⁽²⁾	70,100	\$ 10.00	-
Total	669,769	\$ 8.68	723,431

(1) The 2009 Stock Incentive Plan and 2013 Plan.

(2) The 2012 Stock Incentive Plan.

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Executive Compensation

Our named executive officers for the year ended December 31, 2015, which consist of all individuals who served as our principal executive officer during 2015, our two most highly compensated executive officers other than our principal executive officer who were serving as executive officers as of December 31, 2015 and one former executive officer who would have been among the most highly compensated executive officers if such individual had been serving as of December 31, 2015, are:

- M. Scott Salka, our Chief Executive Officer and Director;
- Jeremy Curnock Cook, our former interim Chief Executive Officer and President and current Chairman of the Board;
- David E. Boshier, our former Interim Chief Financial Officer and current consultant; and
- Wendy S. Johnson, our Interim Chief Operating Officer and Director.

In January 2016, Steve Martin commenced employment with us as our Senior Vice President and Chief Financial Officer. Although Mr. Martin is not one of our named executive officers for the year ended December 31, 2015, we have included information regarding Mr. Martin's compensation in this report where it may be material to an understanding of our executive compensation program.

Summary Compensation Table

The following table provides information regarding the compensation paid during the last two fiscal years to our named executive officers for the year ended December 31, 2015.

Name and Principal Position	Year	Salary	Bonus	Option Awards ⁽¹⁾	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Michael Scott Salka, Chief Executive Officer ⁽²⁾	2015	\$264,263	\$-	\$3,469,919	\$ 85,000	\$ 4,925	\$3,824,107
Jeremy Curnock Cook, Former Interim Chief Executive Officer and President and Current Chairman of our Board of Directors ⁽³⁾	2015	\$-	\$100,000	\$223,949	\$ -	\$ 58,250	⁽⁶⁾ \$382,199
	2014	\$-	\$-	\$-	\$ -	\$ 50,325	\$50,325

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David E. Boshier, Former Interim Chief Financial Officer ⁽⁴⁾	2015	\$308,650	\$-	\$-	\$ -	\$ -	\$308,650
	2014	\$127,125	\$-	\$-	\$ -	\$ -	\$127,125
Wendy S. Johnson, Interim Chief Operating Officer and Director ⁽⁵⁾	2015	\$270,000	\$25,000	\$289,373	\$ -	\$ 30,000	⁽⁶⁾ \$614,373
	2014	\$60,000	\$-	\$-	\$ -	\$ 7,324	\$67,324

In accordance with SEC rules, this column represents the aggregate grant date fair value of the option awards granted during 2015 and 2014 (if any) computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718 for stock-based compensation transactions (ASC 718). Assumptions (1) used in the calculation of these amounts are included in the notes to our audited financial statements incorporated herein by reference. These amounts do not reflect the actual economic value that will be realized by the named executive officer upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.

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- (2) Mr. Salka commenced employment with us as Chief Executive Officer on May 18, 2015.
Mr. Curnock Cook served as interim Chief Executive Officer and President from September 15, 2014 until May 18, 2015. Mr. Curnock Cook did not receive or earn any compensation in 2014 or 2015 for his role as interim Chief Executive Officer, except that in September 2015, he was paid a discretionary lump sum cash payment of \$100,000
- (3) and awarded an option grant to purchase 31,000 shares of common stock in recognition of his services as interim Chief Executive Officer. Mr. Salka has served as our Chief Executive Officer since May 18, 2015. Mr. Curnock Cook continues to serve as Chairman of our Board of Directors.
- (4) Mr. Boshier served as interim Chief Financial Officer from July 1, 2014 to January 18, 2016.
- (5) Ms. Johnson has served as interim Chief Operating Officer since her appointment on September 15, 2014. Ms. Johnson joined our Board of Directors on May 19, 2014.
- (6) Represents Board of Director retainers paid to Mr. Curnock Cook and Ms. Johnson in 2015.

Base Salary

The base salary or consulting compensation of our named executive officers, as applicable, is generally determined and approved by our Board of Directors, based on the recommendation of the Compensation Committee. The Board of Directors approved an annual base salary of \$425,000 for Mr. Salka, which became effective on May 18, 2015 in connection with his commencement of employment with us.

Mr. Curnock Cook did not receive or earn any base salary or consulting fees in 2015 for his role as interim Chief Executive Officer and President. In September 2015, upon recommendation from the Compensation Committee, the Board of Directors approved a discretionary \$100,000 cash payment to Mr. Curnock Cook in recognition of his service as interim Chief Executive Officer from September 2014 to May 2015.

Ms. Johnson was paid monthly consulting fees for her interim officer role during 2015. Ms. Johnson was compensated at a rate of \$20,000 per month for her consulting services as Interim Chief Operating Officer from January 1, 2015 until June 30, 2015, which rate was increased to \$25,000 per month effective on July 1, 2015.

Mr. Boshier was also paid monthly consulting fees for his interim officer role during 2015. During all of 2015, Mr. Boshier was compensated for services provided as an independent contractor on an interim basis as our Interim Chief Financial Officer pursuant to a services agreement between us and The Fahrenheit Group, LLC (of which Mr. Boshier is a managing director) dated June 30, 2014. Under this services agreement, we paid \$5,000 per month to The Fahrenheit Group, LLC for Mr. Boshier's services, up to 20 hours per month, and \$300 per hour for any additional services in excess of 20 hours per month.

Bonus Opportunity

In addition to base salaries, certain of our named executive officers are eligible to receive annual performance-based cash bonuses, which are designed to provide appropriate incentives to our executives to achieve defined annual corporate goals and to reward our executives for individual achievement towards these goals. The performance-based bonus a named executive officer may be eligible to receive is generally based on the extent to which we achieve the specified corporate goals that our Board of Directors or Compensation Committee establishes. At the end of the year, the Board of Directors and/or Compensation Committee reviews our performance against the established corporate goals and approves the extent to which we achieved such goals. In addition, we may award a named executive officer a discretionary cash or equity bonus, if our Board of Directors or Compensation Committee determines appropriate based on the circumstances.

The Board of Directors and/or Compensation Committee generally will consider each executive officer's individual contributions towards reaching our corporate goals and may also establish specific individual goals for our executive officers as it determines appropriate. There is no minimum bonus percentage or amount established for the named executive officers and, as a result, the bonus amounts vary based on corporate and individual performance, as applicable. Under the terms of his offer letter agreement described below, Mr. Salka is eligible to receive an annual performance-based bonus for 2015 equal to, at target, 40% of his annual salary based on our achievement of certain performance goals, pro-rated for Mr. Salka's services during 2015. Under the terms of her consulting agreement described below, Ms. Johnson is eligible to receive up to \$200,000 in cash bonus payments upon achievement of specific goals relating to dosing the first patient in the first and second clinical trials utilizing our drug product. Mr. Boshier is not entitled to any specific target or maximum bonus for company or individual performance in 2015.

Mr. Salka's 2015 bonus was based entirely on corporate goals relating to our clinical trial progress, manufacturing capabilities being established, certain organizational achievements and for listing our company on a major stock exchange.

No specific corporate or individual goals were established for Mr. Boshier for 2015.

Ms. Johnson was eligible to earn a bonus of \$175,000 upon dosing of the first patient in the first clinical trial utilizing our drug product in 2015 (or alternatively, a bonus of \$75,000 if such milestone was met after 2015 and prior to March 31, 2016) and a bonus of \$25,000 upon dosing of the first patient in the second clinical trial utilizing our drug product before March 31, 2016.

In January 2016, the Compensation Committee reviewed the corporate performance goals for Mr. Salka and determined that on an overall basis, we had achieved 50% of such goals for 2015, based on the evaluation of the results by the Compensation Committee and considering the importance of each goal to us. The Compensation Committee assessed the goals established for Ms. Johnson's bonus and determined that she had not met the goals in 2015 because no patients were dosed in 2015. However, the Compensation Committee awarded Ms. Johnson a discretionary bonus of \$25,000, in recognition of significant progress towards the goal which was supported by the patient screenings which occurred in 2015, although no patients were dosed until January 2016. Ms. Johnson has earned performance bonuses in 2016 based on the achievement of the established goals and additional achievements in the first quarter of 2016.

Equity-Based Awards

Our equity-based incentive awards are designed to align our interests with those of our employees and consultants, including our named executive officers. Our Board of Directors or our Compensation Committee approves equity grants. Vesting of equity awards is generally tied to continuous service with us and serves as an additional retention measure. Our executives may be awarded an initial new hire grant upon commencement of service and may receive additional grants, as the Board of Directors or Compensation Committee determines appropriate, in order to incentivize and/or reward such executives.

We have traditionally granted stock options to our named executive officers under our equity incentive plans, the terms of which are described below under "—Equity Benefit Plans."

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In August 2015, our Board of Directors granted an option to purchase 399,716 shares of common stock to Mr. Salka at a per share exercise price of \$9.45. One-third of the shares underlying the option vest over a four-year period, subject to Mr. Salka's continued service with us, and two-thirds of the shares underlying the option vest upon satisfaction of certain business goals relating to a \$20 million capital raise and human clinical trial milestones for our phage products.

In September 2015, in recognition of his service as interim Chief Executive Officer from September 2014 to May 2015, our Board of Directors granted an option to purchase 31,100 shares of common stock to Mr. Curnock Cook at a per share exercise price of \$6.38. The option vests over a four-year period, subject to Mr. Cook's continued service with us.

In September 2015, pursuant to her consulting agreement, our Board of Directors granted Ms. Johnson an option for 49,965 shares at an exercise price per share of \$7.46, half of which vests monthly over a one-year period and half of which vests upon the achievement of certain clinical trial milestones for our drug product, in each case subject to Ms. Johnson's continued service with us.

Our Board of Directors also granted each of Mr. Curnock Cook and Ms. Johnson stock options for an aggregate of 7,400 shares and 16,200 shares, respectively, in September 2015 for services on our Board of Directors, which is described below under “—Non-Employee Director Compensation”.

In January 2016, pursuant to his offer letter agreement, our Board of Directors granted Mr. Martin an option to purchase 99,919 shares of common stock at a per share exercise price of \$2.85. Twenty-five percent of the shares subject to the option vest on the one-year anniversary of Mr. Martin’s commencement of employment with us and the remainder vest in equal monthly installments thereafter, subject to Mr. Martin’s continued service with us.

Agreements with our Named Executive Officers

Below are descriptions of our employment and consulting agreements with our named executive officers governing the terms of their service with us. For a discussion of the severance pay and other benefits that may be provided in connection with a termination of service and/or a change in control under the arrangements with our named executive officers, please see “—Potential Payments and Benefits upon Termination or Change in Control” below.

Mr. Salka. In April 2015, we entered into an offer letter agreement with Mr. Salka, our Chief Executive Officer. Mr. Salka’s employment under the agreement is at will and may be terminated at any time by us or Mr. Salka. Under the terms of the agreement, Mr. Salka is entitled to receive an initial annual base salary of \$425,000, an annual target performance bonus of 40% of his annual salary based on our achievement of certain performance objectives and an option to purchase a number of shares of our common stock under our 2013 Plan equal to 4% of the number of shares of common stock outstanding on a fully-diluted basis, which was granted in August 2015 and is described above under “—Equity-Based Awards”.

Mr. Boshier. Mr. Boshier provided services as an independent contractor on an interim basis as our Interim Chief Financial Officer pursuant to a services agreement between us and The Fahrenheit Group, LLC (of which Mr. Boshier is a managing director) dated June 30, 2014. Under this services agreement, we paid \$5,000 per month to The Fahrenheit Group, LLC for Mr. Boshier’s services, up to 20 hours per month, and \$300 per hour for any additional services in excess of 20 hours per month. The services agreement was terminated by mutual agreement on March 30, 2016.

Ms. Johnson. We entered into an agreement with Ms. Johnson in September 2014 which provided for Ms. Johnson’s services as an independent contractor on an interim basis as our Chief Operating Officer. The agreement had an original term until December 31, 2014, which was further extended in January 2015 to March 31, 2015. Under the agreement, Ms. Johnson was entitled to compensation at the rate of \$20,000 per month. In September 2015, we

entered into a consulting agreement with Ms. Johnson, which supersedes her prior agreement, effective July 1, 2015. Under the terms of her consulting agreement, Ms. Johnson is entitled to receive monthly compensation of \$25,000 for consulting services of at least 120 hours per month, cash bonus payments up to an aggregate of \$200,000 upon the achievement of certain Company milestones and an option to purchase a number of shares of our common stock under our 2013 Plan equal to 0.5% of the number of shares of common stock outstanding on a fully-diluted basis, which was granted in September 2015 and is described above under “—Equity-Based Awards”. The consulting agreement will terminate on July 1, 2016, unless earlier terminated pursuant to its terms. We can terminate the consulting agreement at any time for cause, or for any other reason upon 90 days written notice to Ms. Johnson, provided that no such termination can be effective before March 31, 2016. Ms. Johnson can terminate the agreement upon our material breach upon 30 days written notice, or for any other reason upon 45 days written notice.

Agreements with our Chief Financial Officer

Mr. Martin. In January 2016, we entered into an offer letter agreement with Mr. Martin, our Senior Vice President and Chief Financial Officer. Mr. Martin’s employment under the agreement is at will and may be terminated by us or Mr. Martin at any time. Under the terms of the agreement, Mr. Martin is entitled to receive an initial annual base salary of \$320,000, an annual target performance bonus of 35% of his annual salary based on our achievement of certain performance objectives and an option to purchase a number of shares of our common stock equal to 1% of the number of shares of common stock outstanding on a fully-diluted basis, which was granted in January 2016 and is described above under “—Equity-Based Awards”.

Potential Payments and Benefits upon Termination or Change in Control

Mr. Salka. Under the terms of his offer letter agreement, Mr. Salka is entitled to receive 12 months of continued base salary if his employment with us is terminated without cause or if he resigns for good reason, provided that Mr. Salka executes an effective release of claims against us.

Mr. Martin. Under the terms of his offer letter agreement, Mr. Martin is entitled to receive 12 months of continued base salary if his employment with us is terminated without cause or if he resigns for good reason, and additionally, if such termination or resignation occurs in connection with a change in control, full acceleration of his equity awards, provided that in either case Mr. Martin executes an effective release of claims against us.

All of named executive officers hold stock options under our equity incentive plans that were granted subject to the general terms of our equity incentive plans and form of stock option agreements. A description of the termination and change in control provisions in such equity incentive plans and stock options granted thereunder is provided below under “—Equity Benefit Plans” and the specific vesting terms of each named executive officer’s stock options are described below under “—Outstanding Equity Awards at Fiscal Year End.”

Outstanding Equity Awards at Fiscal Year End

The following table sets forth certain information regarding all outstanding equity awards held by our named executive officers as of December 31, 2015.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards:		
			Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date
Mr. Salka	-	133,238	(1) 266,478	(1) \$9.45	8/5/2025
Mr. Curnock Cook	541	5,959	(2) -	\$6.38	9/20/2025
	-	-	900	(3) \$6.38	9/20/2025
	-	31,100	(4) -	\$6.38	9/20/2025

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	6,600	2,200	(5)	-	\$ 10.00	10/23/2022
	60	-	(6)	-	\$ 190.00	5/8/2016
	1,800	-	(7)	-	\$ 13.50	5/29/2019
Mr. Boshier	-	-	-	-	\$-	-
Ms. Johnson	10,409	14,574	(8)	24,982	(8) \$ 7.46	9/8/2025
	541	5,959	(9)	-	\$ 6.38	9/20/2025
	-	-		9,700	(10) \$ 6.38	9/20/2025

One-third of the shares underlying the 399,716 share option grant vest over a four-year period commencing on May 18, 2015 (with 25% vesting on the one-year anniversary of the commencement of Mr. Salka's employment (1) and the balance vesting in monthly installments thereafter), subject to Mr. Salka's continued service with us, and two-thirds of the shares underlying the 399,716 share option grant vest upon satisfaction of certain business goals relating to a \$20 million capital raise and human clinical trial milestones for our phage products.

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The shares underlying this option will vest on an equal monthly basis over a four year period commencing on (2) August 3, 2015, the date of our most recent annual meeting of shareholders. This option was granted to Mr. Cook for his services as a non-employee director and is described below under “—Non-Employee Director Compensation.”

The shares underlying this option will vest on the date that the market price of our common stock reaches \$25.00 (3) per share before the option expires. This option was granted to Mr. Cook for his services as a non-employee director and is described below under “—Non-Employee Director Compensation.”

(4) The shares underlying this option will vest on an equal monthly basis over a four-year period commencing on May 1, 2015.

6.25% of the total shares underlying this option vested and became exercisable on January 23, 2013. 6.25% of the (5) total shares underlying this option vests and becomes exercisable on the first business day of each three (3) month period thereafter, subject to continued service through each vesting date.

(6) 100.00% of the total shares underlying this option vested and became exercisable on May 8, 2007.

25.00% of the total shares underlying this option vested and became exercisable on May 29, 2009. 37.50% of the (7) total shares underlying this option vests and became exercisable on the first business day of each twelve (12) month period thereafter.

One-half of the shares underlying this option will vest and become exercisable upon the achievement of certain (8) clinical trial milestones for our drug product, and one-half of the shares will vest on an equal monthly basis over the 12 months following July 1, 2015, in each case subject to Ms. Johnson’s continued service through each vesting date.

The shares underlying this option will vest on an equal monthly basis over a four year period commencing on (9) August 3, 2015, the date of our most recent annual meeting of shareholders. This option was granted to Ms. Johnson for her services as a non-employee director and is described below under “—Non-Employee Director Compensation.”

The shares underlying this option will vest on the date that the market price of our common stock reaches \$25.00 (10) per share before the option expires. This option was granted to Ms. Johnson for her services as a non-employee director and is described below under “—Non-Employee Director Compensation.”

All of the stock options held by our named executive officers listed in the table above were granted under and subject to the terms of our 2013 Stock Incentive Plan, our 2009 Targeted Genetics Stock Incentive Plan, or our 2012 Stock Incentive Plan, the terms of which are described below under “—Equity Benefit Plans.”

Option Exercises and Stock Vested

Our named executive officers did not exercise any stock option awards during the year ended December 31, 2015.

Pension Benefits

None of our named executive officers participate in or have account balances in qualified or non-qualified defined benefit plans sponsored by us.

Non-Qualified Deferred Compensation

None of our named executive officers participate in or have account balances in qualified or non-qualified defined contribution plans or other non-qualified compensation plans sponsored by us.

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Equity Benefit Plans

2013 Stock Incentive Plan

Our 2013 Stock Incentive Plan, or the 2013 Plan, was first approved by our Board of Directors in December 2013 and approved by our shareholders in February 2014, and subsequently amended by our Board of Directors and shareholders effective in August 2015. The 2013 Plan replaces the Targeted Genetics Corporation Stock Incentive Plan and the 2012 Stock Incentive Plan.

As of December 31, 2015, there were outstanding options to purchase 673,169 shares of common stock and 723,431 shares of common stock remaining available for the grant of new awards under the 2013 Plan, subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The 2013 Plan permits the granting of stock options (both options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify), restricted stock, restricted stock units, and performance-based awards. The exercise price of each stock option will be determined by our plan administrator but may not be less than 100% of the fair market value of our common stock on the date of grant or, in the case of an incentive stock option granted to a 10% owner, less than 110% of the fair market value of our common stock on the date of grant. The term of each stock option will be fixed by the plan administrator and may not exceed 10 years from the date of grant. The plan administrator will determine at what time or times each option may be exercised.

Under the terms of the 2013 Plan, an option may be exercised following the cessation of a participant's service with us only to the extent provided in the applicable option agreement. If a participant's service relationship with us or any of our affiliates ceases for any reason other than disability or death, the participant may generally exercise any vested options for a period of three months following the cessation of service. If a participant's service relationship with us or any of our affiliates ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested options for a period of 12 months. In no event may an option be exercised beyond the expiration of its term.

The 2013 Plan provides that upon the effectiveness of a corporate transaction (as such term is defined in the 2013 Plan) in the event that all awards are not affirmed by us or assumed by the successor entity, all awards granted under the 2013 Plan shall terminate. In addition, in connection with a corporate transaction or change in control (as such term is defined in the 2013 Plan) the plan administrator may provide the full or partial automatic vesting and exercisability of one or more outstanding unvested awards under the 2013 Plan and the release from restrictions on

transfer or forfeiture rights of such awards in connection with such transaction, on such terms and conditions as the plan administrator may specify.

Our Board of Directors may amend or terminate the 2013 Plan at any time. The plan administrator may amend the terms of any outstanding award granted under the 2013 Plan, but no such action may adversely affect the holder's rights under an outstanding award without the holder's consent. Certain amendments to the 2013 Plan require the approval of our shareholders. No awards may be granted under the 2013 Plan after the date that is 10 years from the date of adoption by our Board of Directors.

2009 Targeted Genetics Stock Incentive Plan and 2012 Stock Incentive Plan

Our Board of Directors and shareholders adopted the 2009 Targeted Genetics Stock Incentive Plan in March 2009. Our Board of Directors adopted our 2012 Stock Incentive Plan in October 2012. There are no shares of common stock remaining for future awards under the 2009 Targeted Genetics Stock Incentive Plan and the 2012 Stock Incentive Plan. We refer to the 2009 Targeted Genetics Stock Incentive Plan and the 2012 Stock Incentive Plan together as the Former Plans.

The Former Plans provide that upon the effectiveness of a corporate transaction (as such term is defined in each of the Former Plans) in the event that all awards are not assumed or continued or substituted by the successor entity, all awards granted under the Former Plans shall terminate. In addition, in connection with a corporate transaction, the plan administrator may provide the full automatic vesting and exercisability of one or more outstanding unvested awards under the Former Plans in connection with a corporate transaction, on such terms and conditions as the plan administrator may specify. Furthermore, in connection with a change in control (as such term is defined in each of the Former Plans), the Former Plans provide for the full automatic vesting and exercisability of any outstanding unvested awards held by certain "key service providers," which under the terms of the Former Plans is defined as any employee, director or consultant who has been designated as a key service provider by the plan administrator, in the event that any such awards are not assumed or continued or substituted by the successor entity.

Our Board of Directors may amend or terminate the Former Plans at any time. Our Board of Directors may also amend the terms of any outstanding award, provided that no amendment to an award may materially impair any of the rights of a participant under any awards previously granted without his or her written consent.

Non-Employee Director Compensation

The following table and related footnotes show the compensation paid during the year ended December 31, 2015 to our non-employee directors. The only type of stock awards held by any of our non-employee directors as of December 31, 2015 were stock option awards.

Name	Fees Earned			Total
	or Paid in Cash	Option Awards	All Other Compensation	
Louis Drapeau ⁽¹⁾	\$ 47,750	\$73,306	\$ -	\$121,056
Michael S. Perry, Ph.D. ⁽²⁾	\$ 44,750	\$68,465	\$ -	\$113,215
Anthony Smithyman, Ph.D. ⁽³⁾	\$ 10,000	\$-	\$ -	\$10,000
Julian P. Kirk ⁽⁴⁾	\$ 30,000	\$84,927	\$ -	\$114,927
Vijay Samant ⁽⁵⁾	\$ 7,028	\$83,866	\$ -	