

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

**SCHEDULE 14A INFORMATION**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

NewLink Genetics Corporation  
(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box)

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

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

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- Fee paid previously with preliminary materials.
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7. Form, Schedule or Registration Statement No.:

8. Filing Party:

9. Date Filed:

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NEWLINK GENETICS CORPORATION  
2503 South Loop Drive  
Ames, IA 50010

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON MAY 23, 2018

Dear Stockholder:

You are cordially invited to attend the 2018 Annual Meeting of Stockholders (the "Annual Meeting") of **NEWLINK GENETICS CORPORATION**, a Delaware corporation (the "Company"). The Annual Meeting will be held on Wednesday, May 23, 2018 at 9:00 a.m. local time at the offices of NewLink Genetics Corporation, 2503 South Loop Drive, Suite 5100, Ames, IA 50010 for the following purposes:

1. To elect the nominees for director, Chad A. Johnson, Ernest J. Talarico, III and Lota S. Zoth, nominated by our Board of Directors, to serve until the 2021 Annual Meeting of Stockholders.
2. To approve, on a non-binding, advisory basis, the compensation of our named executive officers, as disclosed in the proxy statement accompanying this notice.
3. To indicate, on a non-binding, advisory basis, the preferred frequency of future advisory votes on the compensation of our named executive officers.
4. To ratify the selection by the Audit Committee of the Board of Directors of KPMG LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2018.
5. To conduct any other business properly brought before the meeting.

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

The record date for the Annual Meeting is March 26, 2018. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

**Pursuant to the internet proxy rules promulgated by the Securities and Exchange Commission, NewLink Genetics Corporation has elected to provide access to its proxy materials for certain stockholders over the internet. Stockholders of record at the close of business on March 26, 2018 will receive a Notice of Internet Availability of Proxy Materials and may vote at the Annual Meeting and any adjournment or postponement thereof. NewLink Genetics Corporation expects to mail the Notice of Internet Availability of Proxy Materials on or about April 9, 2018.**

By Order of the Board of Directors

/s/ John B. Henneman, III

John B. Henneman, III  
Chief Financial Officer and Secretary

Ames, Iowa  
April 9, 2018

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**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 proxy mailed to you, 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. 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.**

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NEWLINK GENETICS CORPORATION

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**NEWLINK GENETICS CORPORATION  
2503 South Loop Drive  
Ames, Iowa 50010**

**PROXY STATEMENT  
FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MAY 23, 2018**

**QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING**

**Why did I receive a notice regarding the availability of proxy materials on the internet?**

Pursuant to rules adopted by the Securities and Exchange Commission, or the SEC, we have elected to provide access to our proxy materials over the internet. Accordingly, we have sent you a Notice of Internet Availability of Proxy Materials, which we refer to as the Notice, because our Board of Directors, which we refer to as our Board, of NewLink Genetics Corporation, or the Company, is soliciting your proxy to vote at the 2018 Annual Meeting of Stockholders, which we refer to as the Annual Meeting, including at any adjournments or postponements of the meeting. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or to request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy of the proxy materials are contained in the Notice.

We intend to mail the Notice to all stockholders of record entitled to vote at the Annual Meeting on or about April 9, 2018.

**Will I receive any other proxy materials by mail?**

We may send you a proxy card, along with a second Notice, on or after April 19, 2018.

**How do I attend the Annual Meeting?**

The Annual Meeting will be held on Wednesday, May 23, 2018 at 9:00 a.m. local time at the principal executive offices of NewLink Genetics Corporation, 2503 South Loop Drive, Suite 5100, Ames, IA 50010. Directions to the meeting are posted on the internet at <http://www.newlinkgenetics.com/contact/>. Information on how to vote in person at the Annual Meeting is discussed below.

**Who can vote at the Annual Meeting?**

Only stockholders of record at the close of business on March 26, 2018 will be entitled to vote at the Annual Meeting. On the foregoing record date, there were 37,155,838 shares of common stock outstanding and entitled to vote.

*Stockholder of Record: Shares Registered in Your Name*

If on March 26, 2018 your shares were registered directly in your name with our transfer agent, Computershare Shareowner Services LLC, then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to vote by proxy over the telephone or on the internet as instructed below, or to fill out and return a proxy card that you may request or that we may elect to deliver at a later time, to ensure your vote is counted.

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

If on March 26, 2018 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 the Notice is being forwarded to you by that organization. The organization holding your account is considered to be the stockholder 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 meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy from your broker or other agent.

## What am I voting on?

There are four matters scheduled for a vote:

- Election of three directors;
- Advisory approval of the compensation of our named executive officers, as disclosed in this proxy statement in accordance with SEC rules;
- Advisory indication on the preferred frequency of future advisory votes on the compensation of our named executive officers; and
- Ratification of the selection, by the Audit Committee of our Board, of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

## What if another matter is properly brought before the meeting?

We know 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?

With respect to Proposal No. 1 (Election of Directors), you may either vote "For" all the nominees to our Board 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, other than for Proposal No. 3 (Advisory Vote on the Preferred Frequency of Future Advisory Votes on the Compensation of Our Named Executive Officers), for which you may vote "1 year," "2 years" or "3 years" or you may abstain from voting.

The procedures for voting are:

### *Stockholder of Record: Shares Registered in Your Name*

If you are a stockholder of record, you may vote in person at the Annual Meeting, vote by proxy over the telephone, vote by proxy through the internet, or vote by proxy using a proxy card that you may request or that we may elect to deliver at a later time. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure that 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 proxy card that may be delivered to you and return it promptly in the envelope provided. If you return your signed proxy card to us before the meeting, we will vote your shares as you direct.
- To vote over the telephone, dial toll-free 1-800-652-VOTE (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 Notice. Your telephone vote must be received by 11:59 p.m., Eastern Time, on May 22, 2018 to be counted.
- To vote through the internet, go to <http://www.envisionreports.com/NLNK> to complete an electronic proxy card. You will be asked to provide the company number and control number from the Notice. Your internet vote must be received by 11:59 p.m., Eastern Time, on May 22, 2018 to be counted.

### *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 Notice containing voting instructions from that organization rather than from us. Simply follow the voting instructions in the Notice to ensure that your vote is counted. 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.

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**Internet proxy voting may be provided 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.**

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### **How many votes do I have?**

On each matter to be voted upon, you have one vote for each share of common stock you own as of March 26, 2018.

### **What happens if I do not vote?**

#### *Stockholder of Record: Shares Registered in Your Name*

If you are a stockholder of record and do not vote (1) by completing and returning your proxy card, (2) by telephone, (3) through the internet or (4) 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 (NYSE) 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), executive compensation (including any advisory shareholder votes on executive compensation and on the frequency of shareholder votes on executive compensation), and certain corporate governance proposals, even if management-supported. These rules apply to brokers holding our shares even though our common stock is traded on the NASDAQ Global Market. Accordingly, your broker or nominee may not vote your shares on Proposal Nos. 1 (Election of Directors), 2 (Advisory Vote on Compensation of Our Named Executive Officers) or 3 (Advisory Vote on the Preferred Frequency of Future Advisory Votes on the Compensation of Our Named Executive Officers) without your instructions, but may vote your shares on Proposal No. 4 (Ratification of Selection of KPMG LLP as Our Independent Registered Public Accounting Firm) 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" the election of the nominees for director, "For" the advisory approval of executive compensation, for "One Year" as the preferred frequency of future advisory votes on executive compensation and "For" ratification of the selection, by the Audit Committee of our Board, of KPMG LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018. 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 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. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

### **What does it mean if I receive more than one Notice?**

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

## Can I change my vote after submitting my proxy?

### *Stockholder of Record: Shares Registered in Your Name*

Yes. You can revoke your proxy at any time before the final vote at the Annual 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 NewLink Genetics Corporation's Secretary at 2503 South Loop Drive, Suite 5100, Ames, IA 50010; or
- 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 stockholder proposals 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 and received by December 10, 2018 to Corporate Secretary, NewLink Genetics Corporation, 2503 South Loop Drive, Ames, Iowa 50010. If you wish to submit a director nomination or a proposal at next year's annual meeting that is not to be included in next year's proxy materials, you must do so by no later than the close of business on February 22, 2019, nor earlier than the close of business on January 23, 2019, and you must comply with the requirements of Section 5(b) in the our Bylaws, including submitting written notice to our Corporate Secretary as set forth above. However, if the date of next year's annual meeting is more than 30 days before or more than 30 days after May 23, 2019, then we must receive your notice no earlier than the close of business on the one hundred twentieth (120th) day prior to such meeting and no later than the close of business on the later of the ninetieth (90th) day prior to such meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. You are also advised to review our bylaws, which contain additional requirements regarding advance notice of stockholder proposals and director nominations.

## What happens if I do not provide instructions on how to vote or if other matters are presented for determination at the Annual Meeting?

If you are a stockholder of record and return your proxy card without instructions, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board of Directors.

If you are a beneficial owner as noted above you generally cannot vote your shares directly and must instead instruct your broker, trustee, bank or nominee how to vote your shares using the voting instructions form provided by that intermediary. If you do not provide voting instructions, whether your shares can be voted by your broker, bank or nominee depends on the type of item being considered.

- **Non-Discretionary Items.** If you do not provide voting instructions for any of the non-discretionary items at the Annual Meeting, your broker, bank or nominee cannot vote your shares, resulting in a "broker non-vote." All items of business other than Proposal No. 4 (Ratification of Selection of KPMG LLP as Our Independent Registered Public Accounting Firm) are non-discretionary items. Shares constituting broker non-votes will be counted as present for the purpose of determining a quorum at the Annual Meeting, but generally are not counted or deemed to be present in person or by proxy for the purpose of voting on any of the non-discretionary items.
- **Discretionary Items.** Even if you do not provide voting instructions, your broker, bank or nominee may vote in its discretion on Proposal No. 4 (Ratification of Selection of KPMG LLP as Our Independent Registered Public Accounting Firm) because it is a discretionary item.

**What items are being voted upon, how does the Board recommend that you vote, and what are the standards for determining whether an item has been approved?**

<b>Proposal Number</b>	<b>Proposal Description</b>	<b>Board Recommendation</b>	<b>Vote Required for Approval</b>	<b>Effect of Abstentions</b>	<b>Effect of Broker Non-Vote</b>
1	Election of Directors	FOR each director nominee	Nominees receiving the most "For" votes	No effect	None
2	Advisory Vote on Compensation of Our Named Executive Officers	FOR	"For" votes from a majority of the votes cast.	Against	None
3	Advisory Vote on the Preferred Frequency of Future Advisory Votes on the Compensation of Our Named Executive Officers	ONE YEAR	The frequency that receives a majority of the votes cast in person by proxy or at the Annual Meeting. In the absence of a majority, the frequency receiving the highest number of votes cast.	Against	None
4	Ratification of Selection of KPMG LLP as Our Independent Registered Public Accounting Firm	FOR	"For" votes from a majority of the votes cast.	Against	Not applicable

**What is the quorum requirement?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding a majority of the outstanding shares entitled to vote are present at the meeting in person or represented by proxy. On the record date, there were 37,155,838 shares outstanding and entitled to vote. Thus, the holders of 18,577,920 shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted toward 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 present 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?**

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 Annual 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.

## PROPOSAL 1

### ELECTION OF DIRECTORS

NewLink Genetics Corporation's Board 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. Vacancies on our Board may be filled only by persons elected by a majority of the remaining directors. A director elected by our Board to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified.

Our Board presently has eight members. There are three directors in the class whose term of office expires in 2018, each of whom has been nominated for re-election. Chad A. Johnson currently serves on our Board and was elected by our Board to fill a vacancy in March 2018. Ernest J. Talarico, III currently serves on our Board and was previously elected by the stockholders in 2015. Lota S. Zoth currently serves on our Board and was previously elected by the stockholders in 2015. If elected at the Annual Meeting, each nominee would serve until the 2021 Annual Meeting of Stockholders and until his or her successor has been duly elected and qualified, or, if sooner, until the director's 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. If a choice is specified on the proxy card by a stockholder, their shares will be voted as specified. If a choice is not specified on the proxy card, and authority to do so is not withheld, the shares will be voted "FOR" the election of the three nominees above. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the 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 us. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

#### Class III Director Nominees

Below is a brief biography of each nominee and each director whose term will continue after the Annual Meeting, including the ages of each nominee and director as of April 1, 2018. Each individual listed below is nominated for election for a three-year term expiring at the 2021 Annual Meeting.

<u>Name of Nominee</u>	<u>Age</u>	<u>Position Held with Company</u>	<u>Committees</u>	<u>Director Since</u>
Chad A. Johnson	39	Director	Compensation Committee Nominating and Corporate Governance Committee	2018
Ernest J. Talarico, III	47	Director	Compensation Committee Audit Committee	1999
Lota S. Zoth	58	Director	Compensation Committee Audit Committee	2012

**Chad A. Johnson**, J.D., age 39, has served as a member of our Board since March 2018. Mr. Johnson is currently General Counsel at Stine Seed Company. From May 2015 to April 2017, Mr. Johnson was the Assistant Corporate Secretary and Senior Corporate Counsel for Renewable Energy Group, Inc., (NASDAQ:REGI) the largest supplier of advanced biofuels by volume in North America. In addition to his role as a corporate officer, Mr. Johnson was a senior in-house attorney for the company where he helped advance the company's strategic expansion into Europe and other merger and acquisition activities, managed the company's intellectual property portfolio and managed the legal aspects of the company's securities and public filings. From 2007 to April 2015, he spent eight years in roles of increasing responsibility at DuPont Pioneer, a subsidiary of DuPont and a global leading seed and agriculture biotechnology company. In those roles, Mr. Johnson provided legal guidance to a variety of businesses in connection with mergers and acquisitions, strategic collaborations with industry partners and compliance initiatives. Mr. Johnson is admitted to practice law in the state of Iowa and before the United States Patent and Trademark Office. Mr. Johnson graduated from Iowa State University with a Master of Science in Crop Production and Physiology and received his J.D. from Drake University Law School.

Our Board and our Nominating and Corporate Governance Committee believes that Mr. Johnson's career at major biotechnology companies, service as a public company officer and experience overseeing various legal matters provides him with the background necessary for him to serve as a member of our Board and our Compensation Committee and our Nominating and Corporate Governance Committee.

**Ernest J. Talarico, III**, AIF, age 47, has served as a member of our Board since 1999. Mr. Talarico has worked for Mesirow Financial Holdings, Inc., a diversified financial services firm headquartered in Chicago, Illinois since 1998, where he has been a Senior Managing Director since December 2015. Prior to becoming Senior Managing Director, Mr. Talarico served as Managing Director from 2008 to 2015, Senior Vice President from 2005 to 2008, Vice President from 2003 to 2005 and Investment Executive from 1998 to 2003. Mr. Talarico specializes in financial planning and asset allocation, as well as other wealth accumulation and preservation strategies for individuals and businesses. Mr. Talarico has been named one of Chicago Magazine's Five Star Wealth Managers for seven years in a row as selected through an independent survey to identify Chicagoland wealth managers who scored the highest in overall client satisfaction. Mr. Talarico sits on several boards and committees, including the Select Advisory Board and Committee and the Retirement Plan Advisory Investment Committee at Mesirow Financial and Benevolent Enabler, Inc., and the Advisory Board of Catholic Charities for the Archdiocese of Chicago. Mr. Talarico is also the Founder and Chairman of the Talarico Ataxia Open. Mr. Talarico holds a bachelor's degree from the University of Iowa as well as licenses in equities and options.

Our Board believes that Mr. Talarico's experience with our Company, as a director since inception and as a member of both our Compensation Committee and our Audit Committee of our Board, brings continuity to our Board. In addition, our Nominating and Corporate Governance Committee believes that Mr. Talarico's extensive experience in the investment management business provides important experience in corporate finance and investor relations and provides the background necessary for him to serve as a member of our Compensation Committee and our Audit Committee.

**Lota S. Zoth**, CPA, age 58, has served as a member of our Board and Chair of our Audit Committee since November 2012. Since 2008, Ms. Zoth has served on the Board of Directors of several biopharmaceutical organizations, including Orexigen Therapeutics, Inc. (NASDAQ: OREX), Aeras, Circassia Pharmaceuticals, PLC (LSE:CIR.L), Spark Therapeutics, Inc (NASDAQ: ONCE) and Zymeworks, Inc. She also served on the Board of Directors for Hyperion Therapeutics, Inc. from 2008 to May 2015 and Ikaria, Inc. from 2008 to 2014. Prior to her board service, Ms. Zoth served as Chief Financial Officer of MedImmune, Inc. from 2004 through 2007, and as its Corporate Controller from 2002 to 2004. Prior to that, Ms. Zoth was a financial executive at several companies, including, Sodexo Marriott Services, Inc., PSINet Inc., Marriott International, Inc. and PepsiCo, Inc. Ms. Zoth began her career as an auditor at Ernst & Young, LLP. Ms. Zoth received a BBA in accounting, summa cum laude, from Texas Tech University.

Our Board believes that Ms. Zoth's experience with our Company, as a director since 2012 and as the current chair of our Audit Committee of our Board and a member of our Compensation Committee of our Board, brings continuity to our Board. In addition, our Nominating and Corporate Governance Committee believes that Ms. Zoth's extensive financial background and experience provides important experience in corporate finance, corporate management, and investor relations and provides the background necessary for her to serve as a member of our Audit Committee and our Compensation Committee.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF EACH DIRECTOR NOMINEE.**

## **Class I Directors Continuing in Office Until the 2019 Annual Meeting of Stockholders**

**Paul R. Edick**, age 62, has served as a member of our Board since July 2011. Mr. Edick became President and Chief Executive Officer of Xeris Pharmaceuticals in January 2017 and is a founding partner of 3G Advisors, where he was managing partner until December 2016. From July 2010 until November 2014, Mr. Edick was the Chief Executive Officer of Durata Therapeutics, a start-up biopharmaceutical company that was acquired by Actavis in November 2014. From 2008 to 2010, Mr. Edick was Chief Executive Officer of Ganic Pharmaceuticals, a Warburg Pincus specialty pharmaceutical investment vehicle. From 2006 to 2008, Mr. Edick was Chief Executive Officer of MedPointe Healthcare Inc., a specialty pharmaceutical company until its acquisition by Meda. From 2002 to 2006, Mr. Edick was President of MedPointe Healthcare Inc. From 1994 to 2002, Mr. Edick worked in a series of positions at G. D. Searle and its acquirer, Pharmacia Corporation, where he led G. D. Searle's U.S. managed care organization from 1994 to 1995, its U.S. marketing organization from 1995 to 1996 and its Global Pain & Inflammation Business from 1996 to 1997. In 1998, Mr. Edick was named G. D. Searle's VP-Canada & Latin America. In 1999, Mr. Edick became President of Asia Pacific, Canada & Latin America. In 2000, upon Pharmacia's acquisition of G. D. Searle, Mr. Edick was named Group Vice President and President, Asia Pacific/Latin America at Pharmacia. Mr. Edick is currently a director for PDL BioPharma (NASDAQ: PDLI), Iterum Therapeutics, Sucampo Pharmaceuticals (NASDAQ: SCMP) and Neos Therapeutics (NASDAQ: NEOS). Mr. Edick was previously a Director of Circassia Pharmaceuticals Ltd. (LSE: CIR.L) from 2013 to 2016, Life Cycle Pharma (now Veloxis) from 2009 to 2011, Amerita, Inc. from 2006 to 2012 and Informed Medical Communications from 2006 to 2011. Mr. Edick holds a B.A. in Psychology from Hamilton College in Clinton, NY.

Our Board believes that Mr. Edick's experience with our Company, as a director since 2011 and as a member of both our Audit Committee and our Nominating and Corporate Governance Committee of our Board, brings continuity to our Board. In addition, our Nominating and Corporate Governance Committee believes that Mr. Edick's extensive experience in the pharmaceutical industry provides important experience in corporate matters and provides the background necessary for him to serve as a member of our Audit Committee and our Nominating and Corporate Governance Committee.

**Nicholas N. Vahanian, M.D.**, age 50, a co-founder of our Company, has served as President of our Company since 2009. He served as Chief Medical Officer of the Company from 2001 until November 2017 and previously served as Chief Operations Officer of the Company from 2001 to 2011. Dr. Vahanian began his research career at the National Cancer Institute and subsequently worked at the National Center for Human Genome Research Institute, National Institute of Health. He attended St Bartholomew's and Royal London Hospital Medical College and earned his Medical Degree and subsequently completed a Molecular Oncology Fellowship at the John Stoddard Cancer Research Institute. Dr. Vahanian holds a B.S. in Biology from Virginia Commonwealth University and an MBA from the University of Notre Dame.

Our Board believes that Dr. Vahanian's experience with our Company as a founder and executive officer since inception and his extensive medical and scientific background provides important experience, expertise and leadership to our Board as our Company continues to grow.

## **Class II Directors Continuing in Office Until the 2020 Annual Meeting of Stockholders**

**Charles J. Link, Jr., M.D.**, age 58, founded NewLink Genetics Corporation in 1999 and has served as Chairman of our Board and our Chief Scientific Officer since inception in 1999. He served as President from 2001 to 2009 and has served as Chief Executive Officer since 2003. From 1995 to November 2013, Dr. Link was a practicing oncologist at the Medical Oncology and Hematology Associates of Iowa. From 1995 to 2003, Dr. Link served as the Director of the John Stoddard Cancer Research Institute, which he co-founded. Dr. Link served as a Medical Oncology Clinical Fellow at the National Cancer Institute and National Institutes of Health from 1988 to 1991. Dr. Link attended the U.S. Air Force Academy from 1977 to 1980. Dr. Link holds a B.A. from Stanford University, an M.D. from Stanford University School of Medicine and is certified in Internal Medicine by the American Board of Internal Medicine and has previously been certified in Medical Oncology.

Our Board believes that Dr. Link's experience with our Company, as a founder and director since inception and as Chief Executive Officer since 2003, brings continuity to our Board. In addition, our Board believes that Dr. Link's extensive medical and scientific background and experience provides important experience, expertise and leadership as our Company continues to grow.

**Paolo Pucci**, age 56, has served as a member of our Board since 2015. Mr. Pucci has served as the Chief Executive Officer and as a director of ArQule Inc. (NASDAQ: ARQL) since 2008. Prior to that, he was with Bayer A.G., where he served as Senior Vice President (SVP) in charge of the Bayer-Schering Pharmaceuticals Global Oncology/Specialized Therapeutics Business Unit. Previously at Bayer, Mr. Pucci was concomitantly SVP of the Global Specialty Business Unit and President of North America Pharmaceutical Operations and a member of the Bayer Pharmaceuticals Global Management Committee. Mr. Pucci joined Bayer in 2001 as head of its Italian Pharmaceutical and Biologicals operations. Prior to Bayer, Mr. Pucci held positions of increasing responsibility with Eli Lilly and Company, culminating with his appointment as Managing Director, Eli Lilly Sweden AB. In September 2016, Mr. Pucci was appointed to the Board of Directors of West Pharmaceutical Services, Inc. (NYSE: WST) where he serves as an independent director, member of the Audit Committee and member of the Compensation Committee. In November 2011, Mr. Pucci was appointed to the Board of Directors of Dyax Corporation, where he served as an independent director, member of the Audit Committee and Chairman of the Governance and Nomination Committee until its acquisition by Shire plc in January 2016. In April 2013, he was appointed to the Board of Directors of Algeta ASA, a Norwegian public company focused on oncology where he served as an independent director and member of the Audit Committee until the acquisition of Algeta by Bayer A.G. in March 2014. Mr. Pucci holds an MBA from the University of Chicago Booth, is an Italian chartered accountant and a graduate in economics of the Università Degli Studi Di Napoli Federico II in Naples, Italy.

Our Board believes that Mr. Pucci's extensive drug development track record and business practice in large multinational as well as emerging biotechnology companies provides the experience necessary for him to serve as a member of our Audit Committee and the Chair of our Nominating and Corporate Governance Committee.

**Thomas A. Raffin, M.D.**, age 71, has served as a member of our Board since 1999 and is currently our Board's Lead Independent Director. Dr. Raffin has spent 30 years on the faculty at Stanford University School of Medicine, where he is the Colleen and Robert Haas Professor Emeritus of Medicine and Biomedical Ethics. Over the past two decades, Dr. Raffin has worked extensively in the healthcare and medical device business sectors and was an advisor to Cell Therapeutics Inc. from 1993 to 1997, Broncus Technologies from 1997 to 2004, iMedica from 1998 to 2002, and Inhale Technologies from 1998 to 2001. He co-founded Rigel Pharmaceuticals, a publicly traded company, in 1996. In 2001, he co-founded Telegraph Hill Partners, a San Francisco life sciences private equity firm as a General Partner. Dr. Raffin has been a director of the following Telegraph Hill Partners private portfolio companies: AngioScore, Confirma, Freedom Innovations, LDR Holding Corporation, Magstim and PneumRx; and he has worked closely with Estech and Vidacare. Dr. Raffin received a B.A. from Stanford University and an M.D. from Stanford University School of Medicine and did his medical residency at the Peter Bent Brigham Hospital (now Brigham and Women's Hospital) in Boston, MA.

Our Board believes that Dr. Raffin's extensive medical and business background and experience provides important experience in business operations and medical technology and provides the background necessary for him to serve as the Chair of our Compensation Committee and as a member of our Nominating and Corporate Governance Committee.

## INFORMATION REGARDING OUR BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

### Independence of our Board of Directors

In determining independence, our Board considers the definition of “independent” set forth in the listing standards of the NASDAQ Stock Market, or NASDAQ, as well as other factors that contribute to effective oversight and decision-making by our Board. Our independence standards are set forth in our Corporate Governance Guidelines on our website at [www.newlinkgenetics.com](http://www.newlinkgenetics.com) in the “Investors & Media - Corporate Governance - Corporate Governance Guidelines” section. As required under the NASDAQ listing standards, a majority of the members of a listed company’s board of directors must qualify as “independent,” as affirmatively determined by our Board. Our Board consults with our counsel to ensure that our 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 NASDAQ, 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 our Company, its senior management and its independent auditors, our Board has affirmatively determined that the following five directors who served on our Board in 2017 and continue to serve (including nominees for election at the Annual Meeting, Mr. Talarico and Ms. Zoth) are independent directors within the meaning of the applicable NASDAQ listing standards: Mr. Edick, Mr. Talarico, Ms. Zoth, Dr. Raffin and Mr. Pucci. Our Board has also determined that 2018 appointee and nominee for election at the Annual Meeting Mr. Johnson is an independent director within the meaning of the applicable NASDAQ listing standards. The Board considered Mr. Johnson’s employment relationship with Stine Seed Company, an affiliate of our stockholder Stine Seed Farm, Inc., in making its independence determinations with respect to Mr. Johnson. In making its independence assessments, our Board found that none of these directors or nominees for director had a material or other disqualifying relationship with our Company.

Drs. Charles J. Link, Jr., and Nicholas N. Vahanian are not independent directors by virtue of their employment with our Company.

There are no family relationships between our directors, director nominees and executive officers.

### Board Leadership

Our Board is currently chaired by the Chief Executive Officer of our Company, Dr. Charles J. Link, Jr. Our Board has appointed Dr. Raffin as Lead Independent Director.

Our Company believes that combining the positions of Chief Executive Officer and Chairman of our Board, which we refer to as the Chairman, helps to ensure that our Board and management act with a common purpose. We believe combining the positions of Chief Executive Officer and Chairman is appropriate for a biopharmaceutical company focused on drug development in that it enhances our Board’s focus on our progress on scientific research, clinical trials and commercialization as inputs to developing and implementing strategy. Our Company believes that combining the positions of Chief Executive Officer and Chairman provides a single, clear chain of command to execute our strategic initiatives and business plans related to drug development and commercialization. In addition, our Company believes that a combined Chief Executive Officer/Chairman is well-positioned to act as a bridge between management and our Board, facilitating the regular flow of information. Our Company also believes that it is advantageous to have a Chairman with an extensive history with and knowledge of our Company (as is the case with our Chief Executive Officer) as compared to a relatively less informed independent Chairman at this stage in our development.

Our Board appointed Dr. Raffin as the Lead Independent Director to help reinforce the independence of our Board as a whole. The position of Lead Independent Director has been structured to serve as an effective balance to a combined Chief Executive Officer/Chairman: the Lead Independent Director is empowered, among other duties and responsibilities, to develop, together with the Chief Executive Officer, the agenda for meetings of our Board, to develop, together with committee chairs, the agendas for meetings of committees, to preside over Board meetings in the absence of the officers and to oversee our Board’s annual evaluation of the Chief Executive Officer’s performance.

## Role of Our Board Directors on Risk Oversight

One of our Board's key functions is informed oversight of our risk management process. Our Board does not have a standing risk management committee, but rather administers this oversight function directly through our Board as a whole, as well as through various Board standing committees that address risks inherent in their respective areas of oversight. In particular, while our Board is responsible for monitoring and assessing strategic risk exposure, our Audit Committee has the responsibility to consider and discuss the major financial risk exposures and the steps management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. Our Audit Committee also monitors compliance with legal and regulatory requirements with respect to SEC regulations and NASDAQ listing standards, in addition to oversight of the performance of our accounting and financial reporting processes. Our Nominating and Corporate Governance Committee monitors the effectiveness of the corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our Compensation Committee assesses and monitors whether any compensation policies and programs have the potential to encourage excessive risk-taking. The entire Board and its committees address risk management issues from time-to-time and meet at least annually with the employees responsible for risk management in the committees' respective areas of oversight. Both our Board as a whole and the various standing committees receive periodic reports from the employees responsible for risk management, as well as incidental reports as matters may arise. It is the responsibility of the committee chairs to report findings regarding material risk exposures to our Board as quickly as possible.

## Meeting Attendance

Our Board met six times during the last fiscal year. Our Audit Committee met five times during the 2017 fiscal year, our Compensation Committee met five times during the 2017 fiscal year, and our Nominating and Corporate Governance Committee met five times. Each incumbent director attended 100% of the aggregate number of meetings of our Board and of the committees on which he or she served, that were held during the portion of the last fiscal year for which he or she was a director or committee member.

It is our policy to encourage directors and nominees for director to attend the Annual Meeting. Six of the eight directors continuing their service as members of our Board after the 2017 Annual Meeting of Stockholders attended the meeting.

## Committees of our Board of Directors

Our Board has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. The following table sets forth membership of each of our committees as of March 30, 2018:

Name	Audit	Compensation	Nominating and Corporate Governance
Dr. Charles J. Link, Jr.			
Dr. Thomas A. Raffin		Chair	X
Mr. Ernest J. Talarico, III	X	X	
Mr. Paul R. Edick	X		X
Ms. Lota Zoth	Chair	X	
Dr. Nicholas N. Vahanian			
Mr. Paolo Pucci	X		Chair
Mr. Chad A. Johnson		X	X

Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. Our Board has determined that, except as specifically described below, each current member of each committee meets the applicable NASDAQ rules and regulations regarding "independence" and that each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to the Company.

Below is a description of each committee of our Board.

## Audit Committee

Our Audit Committee was established by our Board in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, to oversee our corporate accounting and financial reporting processes and audits of its financial statements. For this purpose, our Audit Committee performs several functions. Our Audit Committee evaluates the performance of and assesses the qualifications of the independent auditors; determines and approves the engagement of the independent auditors; determines whether to retain or terminate the existing independent auditors or to appoint and engage new independent auditors; reviews and approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors on our audit engagement team as required by law; confers with management and the independent auditors regarding the effectiveness of internal controls over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by the Company regarding questionable accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and meets to review our annual audited financial statements and quarterly financial statements with management and the independent auditor, including a review of our disclosures in our Annual Report on Form 10-K under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Our Audit Committee is currently comprised of four directors: Ms. Zoth, Mr. Edick, Mr. Talarico and Mr. Pucci. Our Board has adopted a written Audit Committee charter that is available to stockholders on our website at [www.newlinkgenetics.com](http://www.newlinkgenetics.com) in the “Investors & Media - Corporate Governance” section.

Our Board reviews the NASDAQ listing standards definition of independence for Audit Committee members on an annual basis and has determined that each current member of our Audit Committee meets the independence requirement (as independence is currently defined in Rule 5605(c)(2)(A)(i) and (ii) of the NASDAQ listing standards).

Our Board has also determined that Ms. Zoth qualifies as an “audit committee financial expert,” as defined in applicable SEC rules. Our Board made a qualitative assessment of Ms. Zoth’s level of knowledge and experience based on a number of factors, including her formal education and her years of experience.

## Compensation Committee

The Compensation Committee of our Board is currently comprised of four directors: Dr. Raffin, Mr. Talarico, Ms. Zoth and Mr. Johnson, who joined the Compensation Committee in March 2018. In 2017, our former director Mr. Joseph Saluri also served on the Compensation Committee until he resigned from the Board in July 2017. All current members of our Compensation Committee are independent (as independence is currently defined in Rule 5605(d)(2) of the NASDAQ listing standards). Additionally, all current members of our Compensation Committee are “outside directors” for 162(m) purposes and non-employee directors under Rule 16b-3 of the Exchange Act. Our Board has adopted a written Compensation Committee charter that is available to stockholders on our website at [www.newlinkgenetics.com](http://www.newlinkgenetics.com) in the “Investors & Media - Corporate Governance” section.

The purpose of our Compensation Committee is to discharge the responsibilities of our Board to oversee our compensation policies, plans and programs and to review and determine the compensation to be paid to our directors, executive officers and other senior management. The scope of authority and specific responsibilities of our Compensation Committee include:

- determining the compensation and other terms of employment of our executive officers and reviewing and approving corporate performance goals and objectives relevant to such compensation;
- evaluating and recommending to our Board the compensation plans and programs advisable for the Company, and evaluating and recommending the modification or termination of existing plans and programs;
- reviewing and approving the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- selecting, retaining and terminating compensation consultants to assist in its evaluation of executive and director compensation, including the sole authority to approve the consultant’s reasonable fees and other retention terms; and
- reviewing and recommending to our Board the type and amount of compensation to be paid or awarded to members of our Board.

Each year, our Compensation Committee reviews with management our Compensation Discussion and Analysis and considers whether to recommend that it be included in proxy statements and other filings.

## Compensation Committee Interlocks and Insider Participation

For the fiscal year ended December 31, 2017, members of our Compensation Committee consisted of Dr. Raffin, Mr. Talarico and Ms. Zoth for the full year and our former director Mr. Joseph Saluri from the beginning of the year until his resignation on July 14, 2017. Mr. Johnson joined our Compensation Committee in March 2018. None of the members of our Compensation Committee are currently, or have ever been at any time since our formation, one of our officers or employees. None of our officers currently serve, nor have they served during the last completed fiscal year, as a member of the Board of Directors or Compensation Committee of any entity that has one or more officers serving as a member of our Board or Compensation Committee.

## Compensation Committee Report<sup>(1)</sup>

This Compensation Committee Report shall not be deemed to be incorporated by reference into any filing made by the Company under the Securities Act of 1933 or the Exchange Act, notwithstanding any general statement contained in any such filing incorporating this proxy statement by reference, except to the extent the Company incorporates such Report by specific reference.

The Committee has reviewed and discussed the Compensation Discussion and Analysis with the management of the Company. Based on this review and these discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K and the Company's proxy statement.

The preceding report has been furnished by the following members of the Compensation Committee:

Dr. Thomas A. Raffin  
Mr. Ernest J. Talarico, III  
Ms. Lota Zoth  
Mr. Chad A. Johnson<sup>(2)</sup>

<sup>(1)</sup> The material in this report is not "soliciting material," is not deemed "filed" with the Commission and is not to be incorporated by reference in any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

<sup>(2)</sup> Mr. Johnson joined the Compensation Committee in March 2018 and did not participate in any Compensation Committee decisions made in the fiscal year ended December 31, 2017.

## Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee of our Board is responsible for overseeing our corporate governance functions on behalf of our Board, making recommendations to our Board regarding corporate governance issues, identifying, reviewing and evaluating candidates to serve as directors of the Company consistent with criteria approved by our Board, reviewing and evaluating incumbent directors, recommending to our Board for selection candidates for election to our Board and making other recommendations to our Board regarding affairs relating to the directors of the Company, including director compensation.

Our Nominating and Corporate Governance Committee is currently comprised of four directors: Mr. Pucci, Dr. Raffin, Mr. Edick and Mr. Johnson. All current members of our Nominating and Corporate Governance Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the NASDAQ listing standards). Our Board has adopted a written Nominating and Corporate Governance Committee charter that is available to stockholders on our website at [www.newlinkgenetics.com](http://www.newlinkgenetics.com) in the "Investors & Media - Corporate Governance" section.

Our Nominating and Corporate Governance Committee believes that candidates for director should have certain minimum qualifications, including the ability to read and understand basic financial statements, being over 21 years of age and having the highest personal integrity and ethics. Our Nominating and Corporate Governance Committee also considers whether the candidate possesses the following factors among others: relevant expertise upon which to base advice and guidance to management, sufficient time to devote to the affairs of the Company, demonstrated excellence in his or her field, the ability to exercise sound business judgment and the commitment to rigorously represent the long-term interests of our stockholders. Candidates for director nominees are reviewed in the context of the current composition of our Board, the operating requirements of the Company and the long-term interests of stockholders. In conducting this assessment, our Nominating and Corporate Governance Committee typically considers diversity, age, skills and such other factors as it deems appropriate given the current needs of our Board and the Company to maintain a balance of knowledge, experience and capability. Our Nominating and Corporate Governance Committee does not have a policy regarding how it considers diversity in selecting candidates.

In the case of incumbent directors whose terms of office are set to expire, our Nominating and Corporate Governance Committee reviews these directors' overall service to the Company during their terms, including the number of meetings attended, level of participation, quality of performance and any relationships and transactions that might impair the directors' independence. Our Nominating and Corporate Governance Committee also takes into account the results of our Board's self-evaluation, conducted annually on a group and individual basis. In the case of new director candidates, our Nominating and Corporate Governance Committee also determines whether the nominee is independent for NASDAQ purposes, which determination is based upon applicable NASDAQ listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. Our 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. Our 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 our Board. Our Nominating and Corporate Governance Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to our Board by majority vote. During 2015 and 2018, our Nominating and Corporate Governance Committee retained and paid a search firm to assist in the identification and evaluation of candidates for director.

In identifying potential candidates for Board membership, our Nominating and Corporate Governance Committee relies on suggestions and recommendations from our Board, stockholders, management and others. Our Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders. Our Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above based on whether or not the candidate was recommended by a stockholder.

### **Code of Business Conduct and Ethics**

The Company has adopted the NewLink Genetics Corporation Code of Business Conduct and Ethics that applies to all officers, directors and employees. The Code of Business Conduct and Ethics is available on our website at [www.newlinkgenetics.com](http://www.newlinkgenetics.com) in the "Investors & Media - Corporate Governance" section. The Company amended the code of ethics in October 2015 and any future amendments or waivers to our code of ethics will be promptly disclosed on its website and as required by applicable laws, rules and regulations of the SEC and NASDAQ.

### **Corporate Governance Guidelines**

Our Board adopted Corporate Governance Guidelines to assure that our Board will have the necessary authority and practices in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. The guidelines are also intended to align the interests of directors and management with those of our stockholders. The Corporate Governance Guidelines set forth the practices our Board intends to follow with respect to board composition and selection, board meetings and involvement of senior management, Chief Executive Officer performance evaluation and succession planning and board committees and compensation. The Corporate Governance Guidelines, as well as the charters for each committee of our Board, may be viewed at [www.newlinkgenetics.com](http://www.newlinkgenetics.com) in the "Investors & Media - Corporate Governance" section.

## PROPOSAL 2

### ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

At the 2012 Annual Meeting of Stockholders, our stockholders indicated their preference that the Company solicit a non-binding advisory vote on the compensation of the named executive officers, commonly referred to as a “say-on-pay vote,” every year. Our Board has adopted a policy that is consistent with that preference.

This vote is being provided pursuant to section 14A of the Securities Exchange Act. It is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. The compensation of our named executive officers subject to the vote is disclosed in the Compensation Discussion and Analysis, the compensation tables and the related narrative disclosure contained in this proxy statement. As discussed in those disclosures, the Company believes that its compensation policies and decisions are consistent with our strategic compensation and retention needs. Further, our compensation policies and decisions are designed to align its executive officers’ compensation with our business objectives and the interests of its stockholders, to incentivize and reward its executive officers for our success and to promote teamwork within our executive management team. Compensation of our named executive officers is designed to enable the Company to attract and retain talented and experienced executives to lead the Company successfully in a competitive environment.

Accordingly, our Board is asking the stockholders to indicate their support for the compensation of our named executive officers as described in this proxy statement by casting a non-binding advisory vote “FOR” the following resolution:

“RESOLVED, that the compensation paid to our named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.”

Because the vote is advisory, it is not binding on our Board or our Company. Nevertheless, the views expressed by the stockholders, whether through this vote or otherwise, are important to management and our Board and, accordingly, our Board and our Compensation Committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements.

Advisory approval of this proposal requires the vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote on the matter at the Annual Meeting. Abstentions will be counted toward the tabulation of votes on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted toward a quorum, but are not counted for any purpose in determining whether this matter has been approved.

Unless our Board decides to modify its policy regarding the frequency of soliciting advisory votes on the compensation of our named executive officers, the next scheduled say-on-pay vote will be at the 2019 Annual Meeting of Stockholders.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 2.**

### PROPOSAL 3

#### **ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

The Dodd-Frank Act enables our stockholders to indicate how frequently they believe we should seek a non-binding advisory vote from stockholders on the compensation of our named executive officers, i.e., how frequently to request future “Say-on-Pay” votes from stockholders. We are accordingly seeking a non-binding advisory vote from stockholders as to the frequency with which our stockholders should have an opportunity to provide an advisory approval - a “Say-on-Pay” - of our named executive officer compensation. We are providing our stockholders with the choice of selecting a frequency of one year, two years or three years, or abstaining from this advisory vote. The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote on this item will be required to approve, by advisory vote, the frequency of a stockholder vote on the compensation of our named executive officers. If none of the frequency alternatives receives a majority of the votes cast by stockholders, we will consider the highest number of votes cast by stockholders to be the preferred frequency that has been recommended by our stockholders.

The vote on this proposal is advisory; therefore, it is not binding on the Company, our Board or our Compensation Committee. We may determine in the future that it is in the best interests of the Company and our stockholders to hold Say-on-Pay votes more or less frequently than the frequency indicated by stockholders in voting on this proposal or as currently recommended by our Board. However, we plan to consider the results of the vote on this proposal in determining the frequency of our Say-on-Pay votes because we value the opinions of our stockholders.

Currently, we believe that it is in the best interests of the Company and our stockholders to hold a Say-on-Pay vote every year, and this is the frequency recommended by our Board. We believe this frequency will enable our stockholders to vote, on a non-binding, advisory basis, on our most recent executive compensation practices and decisions as presented in our annual proxy statements, which will lead to greater transparency and more meaningful and timely communication between the Company and our stockholders regarding the compensation of our named executive officers. Accordingly, we ask our stockholders to indicate their preferred voting frequency by voting for every “1 Year,” “2 Years” or “3 Years” (or abstaining from voting) in response to the following non-binding advisory resolution:

RESOLVED, that the alternative of every one year, two years, or three years that receives the highest number of votes cast by stockholders in person or by proxy at this meeting will be considered to be the preferred frequency with which the Company is to hold an advisory vote on the compensation of the Company’s named executive officers.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE OPTION OF ONE YEAR AS THE PREFERRED FREQUENCY OF FUTURE ADVISORY VOTES ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

## PROPOSAL 4

### RATIFICATION OF SELECTION OF KPMG LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has selected KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018 and has further directed that management submit the selection of independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. KPMG LLP has audited our financial statements since inception in 1999. Representatives of KPMG 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.

Neither our Bylaws nor other governing documents or law require stockholder ratification of the selection of KPMG LLP as our independent registered public accounting firm. However, our Audit Committee is submitting the selection of KPMG LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, our Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, our Audit Committee 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 our Company and our stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote on the matter at the Annual Meeting will be required to ratify the selection of KPMG LLP. Abstentions will be counted toward the tabulation of votes on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

#### Principal Accountant Services and Fees

The following table represents aggregate fees billed to the Company for the fiscal years ended December 31, 2017 and December 31, 2016, by KPMG LLP, our principal accountant. All tax fees described below were pre-approved by our Audit Committee.

	Year Ended	
	2017	2016
Audit Fees <sup>(1)</sup>	\$606,904	\$507,750
Audit-related Fees	—	—
Tax Fees <sup>(2)</sup>	\$101,261	\$140,607
All Other Fees	—	—
Total Fees	\$708,165	\$648,357

<sup>(1)</sup> Represents fees for the audit of our annual financial statements and of our internal control over financial reporting, review of our quarterly financial statements included in our Forms 10-Q, accounting consultations and the issuance of consents and comfort letters.

<sup>(2)</sup> Consists of fees for tax services provided to the Company, including tax planning and compliance services and the review of certain tax returns.

#### Pre-Approval Policies and Procedures

Our Audit Committee has adopted a policy and procedures for the pre-approval of audit services, audit-related services and tax services rendered by our independent registered public accounting firm. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services, and tax services up to specified amounts. Pre-approval may also be given as part of our Audit Committee's approval of the scope of the engagement of the independent registered public accounting firm or on an individual explicit case-by-case basis before the independent registered public accounting firm is engaged to provide each service. The pre-approval of services has been delegated to the Chairperson of our Audit Committee, but the decision must be reported to the full Audit Committee at its next scheduled meeting.

In connection with the audit of the 2017 financial statements, our Audit Committee entered into an engagement agreement with KPMG LLP which sets forth the terms by which KPMG LLP was to perform audit services for the Company.

#### **Report of Our Audit Committee <sup>(1)</sup>**

Our Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2017 with management of the Company. Our Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard 1301, *Communications with Audit Committee*, as adopted by the Public Company Accounting Oversight Board, or PCAOB. Our 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 our Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the accounting firm's independence.

Based on the foregoing, our Audit Committee has recommended to our Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

#### AUDIT COMMITTEE

Ms. Lota Zoth (Chair)  
Mr. Ernest J. Talarico, III  
Mr. Paul R. Edick  
Mr. Paolo Pucci

<sup>(1)</sup> The material in this Audit Committee report is not "soliciting material," is not deemed "filed" with the Commission and is not to be incorporated by reference in any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 4.**

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of our common stock as of March 16, 2018, except as set forth below, by: (i) each current director and nominee for director; (ii) each of the named executive officers specified in the Summary Compensation Table; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than 5% of its common stock. The percentage of shares beneficially owned is computed on the basis of 37,155,838 shares of our common stock outstanding as of March 16, 2018. Shares of our common stock that a person has the right to acquire within 60 days of March 16, 2018 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.

Names of Beneficial Owner	Shares	Percentage
<b>5% Stockholders</b>		
	Total	
Stine Seed Farm, Inc. <sup>(1)</sup>	7,857,732	21.1 %
First Eagle Investment Management, LLC <sup>(2)</sup>	2,473,800	6.7 %
BlackRock Inc. <sup>(3)</sup>	2,311,834	6.2 %
Redmile Group LLC <sup>(4)</sup>	2,096,490	5.6 %
Great Point Partners <sup>(5)</sup>	1,987,099	5.3 %
<b>Directors and Named Executive Officers</b>		
Charles J. Link, Jr., M.D. <sup>(6)</sup>	2,252,459	5.8 %
Nicholas N. Vahanian, M.D. <sup>(7)</sup>	1,342,362	3.5 %
John B. Henneman, III <sup>(8)</sup>	405,975	1.1 %
Thomas A. Raffin, M.D. <sup>(9)</sup>	247,586	*
Eugene P. Kennedy, M.D. <sup>(10)</sup>	214,532	*
Brian Wiley <sup>(11)</sup>	214,051	*
Ernest J. Talarico, III <sup>(12)</sup>	195,548	*
Paul R. Edick <sup>(13)</sup>	101,586	*
Lota S. Zoth <sup>(14)</sup>	100,396	*
Paolo Pucci <sup>(15)</sup>	56,643	*
Chad A. Johnson <sup>(16)</sup>	—	*
<b>All Executive Officers &amp; Directors as a Group (11 persons)<sup>(17)</sup></b>	<b>5,131,138</b>	<b>12.3 %</b>

\*Represents beneficial ownership of less than 1%.

- (1) Address: 22555 Laredo Trail, Adel, Iowa 50003, Attn: Shane Netherton. Based solely upon a Schedule 13D filed with the SEC on October 6, 2017.
- (2) Address: 1345 Avenue of the Americas, New York, New York 10105. Based solely upon a Schedule 13G filed with the SEC on February 7, 2018 reflecting the beneficial ownership by First Eagle Investment Management, LLC as of February 1, 2018.
- (3) Address: 55 East 52nd Street, New York, New York 10055. Based solely upon a Schedule 13G filed with the SEC on January 25, 2018 reflecting the beneficial ownership by BlackRock Inc. as of December 31, 2017.
- (4) Address: One Letterman Drive, Bldg D, Ste D3-300, San Francisco, California 94129. Based solely upon a Schedule 13G filed with the SEC on February 14, 2018 reflecting the beneficial ownership by Redmile Group LLC as of December 31, 2017.
- (5) Address: 165 Mason Street, 3rd Floor, Greenwich, Connecticut 06830. Based solely upon a Schedule 13G filed with the SEC on February 14, 2018 reflecting the beneficial ownership by Great Point Partners LLC as of December 31, 2017.
- (6) Includes 2,002,048 shares Dr. Link has the right to acquire through the exercise of stock options within 60 days of March 16, 2018 and 25,139 shares held by his spouse.
- (7) Includes 1,309,932 shares Dr. Vahanian has the right to acquire through the exercise of stock options within 60 days of March 16, 2018.
- (8) Includes 367,238 shares Mr. Henneman has the right to acquire through the exercise of stock options within 60 days of March 16, 2018.
- (9) Includes 182,965 shares Dr. Raffin has the right to acquire through the exercise of stock options within 60 days of March 16, 2018.
- (10) Includes 205,599 shares Dr. Kennedy has the right to acquire through the exercise of stock options within 60 days of March 16, 2018.
- (11) Includes 200,942 shares Mr. Wiley has the right to acquire through the exercise of stock options within 60 days of March 16, 2018.
- (12) Includes 157,483 shares Mr. Talarico has the right to acquire through the exercise of stock options within 60 days of March 16, 2018. Includes 977 shares of common stock held by Ernie Talarico Roth IRA, 1,737 shares of common stock held by Kelli Talarico Roth IRA, 1,564 shares of common stock held by son's trust and 1,564 shares of common stock held by daughter's trust.
- (13) Includes 93,680 shares Mr. Edick has the right to acquire through the exercise of stock options within 60 days of March 16, 2018.
- (14) Includes 92,490 shares Ms. Zoth has the right to acquire through the exercise of stock options within 60 days of March 16, 2018.
- (15) Includes 52,142 shares Mr. Pucci has the right to acquire through the exercise of stock options within 60 days of March 16, 2018.
- (16) Mr. Johnson was elected to the Board effective March 19, 2018 and was granted options to purchase 48,324 shares on March 20, 2018. None of the shares subject to the option will be exercisable within 60 days of March 16, 2018.
- (17) Includes 4,664,519 shares issuable upon exercise of stock options exercisable within 60 days of March 16, 2018. See notes (6) through (16) above.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than 10% of a registered class of our 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. Directors, executive officers and greater than 10% stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To our 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, 2017, the Company believes that all reports required by Section 16(a) of the Exchange Act to be filed by our officers, directors and greater than 10% beneficial owners were complied with.

## DIRECTOR COMPENSATION

The following table shows certain information with respect to the compensation of all of our non-employee directors for the fiscal year ended December 31, 2017.

Name	Cash Compensation (1)	Option Awards (\$) (2)(3)(4)	Total (\$)
Paul R. Edick	\$71,000	\$150,013	\$221,013
Paolo Pucci	\$73,500	\$150,013	\$223,513
Thomas A. Raffin, M.D.	\$105,000	\$150,013	\$255,013
Joseph B. Saluri <sup>(5)</sup>	\$51,750	\$150,013	\$201,763
Ernest J. Talarico, III	\$75,000	\$150,013	\$225,013
Lota Zoth	\$81,500	\$150,013	\$231,513

- (1) Cash compensation paid quarterly based on the annual amount of \$50,000 for all Non-Employee Directors with additional annual cash compensation of \$30,000 for Lead Independent Director, \$20,000, \$17,500 and \$10,000 for the Chairs of the Audit, Compensation and Nominating and Corporate Governance Committees, respectively; and \$13,500, \$11,500 and \$7,500 for members of the Audit, Compensation and Nominating and Corporate Governance Committees, respectively.
- (2) The assumptions we used in valuing options are described under the caption “Share-Based Compensation” in note 2 to our financial statements included in our Annual Report on Form 10-K filed March 5, 2018. This column reflects compensation expense that would be recorded under FASB ASC topic 718 as stock-based compensation in our financial statements for the indicated year in connection with options we granted in the indicated year, disregarding the effects of any estimate of forfeitures related to service-based vesting.
- (3) The number of stock awards and aggregate number of shares subject to stock option awards outstanding for each non-employee director as of December 31, 2017 are as follows:

	Stock Awards	Option Awards
Paul R. Edick	—	93,680
Paolo Pucci	1,669	54,687
Thomas A. Raffin, M.D.	—	182,965
Ernest J. Talarico, III	—	157,483
Lota Zoth	—	92,490

- (4) Grant date fair value of 13,309 options granted in 2017 at an exercise price of \$17.42, which was the per share closing price of our common stock on the NASDAQ Global Market on the date of grant.
- (5) Mr. Saluri resigned from the Board effective as of July 14, 2017.

### Non-Employee Director Compensation

The following compensation components are paid to our non-employee directors:

- Annual cash retainer fees;
- An equity grant upon initial election or appointment to our Board; and
- An annual equity grant.

Our non-employee director compensation program as in effect for the fiscal year ended December 31, 2017 is as described below. For a description of our compensation program in effect for prior years, please refer to the proxy statement for our 2017 Annual Meeting of stockholders. Under our program, each non-employee director was entitled to receive annual cash retainer fees in the amounts set forth below and were paid in cash quarterly on the first day of each quarter during their annual term

commencing upon their election or re-election at each Annual Meeting of Stockholders. Such amounts were pro-rated for appointments made to our Board between our annual meetings.

<b>Director Compensation</b>	<b>2017</b>	<b>2018 #</b>
Annual retainer fee payable to all non-employee directors	\$ 50,000	\$ 45,000
Additional annual retainer fee payable to the Lead Independent Director of our Board	\$ 30,000	\$ 27,000
Additional annual retainer fee payable to our Audit Committee Chair	\$ 20,000	\$ 18,000
Additional annual retainer fee payable to other Audit Committee members	\$ 13,500	\$ 12,000
Additional annual retainer fee payable to our Compensation Committee Chair	\$ 17,500	\$ 15,500
Additional annual retainer fee payable to other Compensation Committee members	\$ 11,500	\$ 10,000
Additional annual retainer fee payable to our Nominating and Corporate Governance Committee Chair	\$ 10,000	\$ 9,000
Additional annual retainer fee payable to other Nominating and Corporate Governance Committee members	\$ 7,500	\$ 6,500

# effective March 2018

During 2017, upon election to our Board, each new non-employee director would have been eligible to receive an initial grant of stock options with a value of \$250,000 based on the fair market value of the awards on the grant date pursuant to our 2010 Non-Employee Directors' Stock Award Plan, as amended, though no new non-employee director was elected to our Board in 2017. Additionally, during the term of his or her service on our Board, each non-employee director receives an annual grant comprised of stock options with a value of \$150,000 based on the market value of the awards on the date of grant. During 2017, we made such annual grants pursuant to our 2009 Equity Incentive Plan since our 2010 Non-Employee Directors' Stock Award Plan did not have sufficient shares to cover such grants. Effective March 2018, upon discussions with our independent compensation consultants, the Board elected to amend the cash compensation as described above as well as reduce the annual stock option grant to a value of \$100,000.

We also reimburse our directors, including our employee directors, for their reasonable expenses incurred in attending meetings of our Board and the committees of our Board. Other than reimbursement of any such reasonable expenses, our employee directors do not receive compensation for their service on our Board.

#### *Director Stock Ownership Guidelines*

Our stock ownership guidelines for non-employee directors anticipate that each director will, by December 31, 2018, hold shares of our common stock representing at least \$150,000 worth of common stock or 10,000 shares, whichever is less. All of our directors currently meet stock ownership guidelines or are making acceptable progress toward their required level.

## COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion and Analysis ("CD&A") describes our executive compensation program and philosophy, our compensation-setting process, the elements of our executive compensation program, and the compensation decisions made in 2017. This CD&A should be read together with the compensation tables and related disclosures that immediately follow, which provide further historical compensation information for our named executive officers ("NEOs") as identified below.

This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion.

Our Named Executive Officers are:

Name	Age	Title
Charles J. Link, Jr., M.D.	58	Chairman of the Board and Chief Executive and Scientific Officer
Nicholas N. Vahanian, M.D.	50	President
John B. Henneman, III	56	Chief Financial Officer and Secretary
Eugene P. Kennedy, M.D.	49	Chief Medical Officer
Brian Wiley	50	Chief Commercial Officer

Our executive officers are appointed by and serve at the direction of our Board of Directors. There are no family relationships between our directors, director nominees, and executive officers.

**Charles J. Link, Jr., M.D.**, See Dr. Link's biography in "Proposal Number 1-Election of Directors."

**Nicholas N. Vahanian, M.D.**, See Dr. Vahanian's biography in "Proposal Number 1-Election of Directors."

**John B. Henneman, III** has served as our Chief Financial Officer, Secretary, Executive Vice President and Chief Administrative Officer since October 2014. Prior to joining the Company, Mr. Henneman served for sixteen years at Integra Life Sciences, a publicly traded life sciences company. He joined Integra in 1998 as General Counsel and Chief Administrative Officer, was appointed Acting Chief Financial Officer in 2007 and assumed that role permanently in 2008. In April 2014, he was named as Corporate Vice President and Chief Administrative Officer, concurrently with the appointment of a new Chief Financial Officer. During his 16 years at Integra, in addition to his responsibilities as Chief Financial Officer, he was responsible at various times for Integra's law department, corporate development, regulatory affairs, quality systems, clinical affairs, human resources, information systems and management of Integra's surgical instruments business. Mr. Henneman currently serves on the Board of Directors of R1 RCM, Inc., a NASDAQ listed company that is a provider of revenue cycle management services to hospitals, SeaSpine Holdings Corporation, a NASDAQ listed company that is a spinal implant and orthobiologics company and Alafair Biosciences, a privately-held biomaterials company. Mr. Henneman received his A.B. in Politics from Princeton University and a J.D. from the University of Michigan Law School.

**Eugene P. Kennedy, MD, FACS**, has served as our Chief Medical Officer since November 2017, where he leads clinical development across all immuno-oncology product candidates as well as investigator initiated trials. From January 2014 to November 2017, Dr. Kennedy served as our Vice President for Clinical and Medical Affairs. Prior to joining NewLink Genetics, he was on faculty and clinical staff at Thomas Jefferson University in Philadelphia, Pennsylvania where he served as Associate Professor of Surgery and held leadership positions as Chief of the Section of Pancreaticobiliary Surgery and co-director of the Jefferson Pancreas, Biliary, and Related Cancers Center from January 2006 to December 2013. Previously, Dr. Kennedy held faculty positions at Johns Hopkins Hospital and the Louisiana State University School of Medicine. He has considerable experience in clinical trial design and implementation, leading both investigator initiated and industry-sponsored efforts.

**Brian Wiley** has served as our Chief Commercial Officer January 2016 and previously served as Vice President of Business Development from January 2013 to December 2015. Mr. Wiley is responsible for the business development, commercialization and corporate communications strategies for all of our portfolio products. Prior to joining the Company, Mr. Wiley was the Principal and Founder of Boston BioConsulting, LLC, Senior Director of Oncology Marketing at Celgene Corporation & Gloucester Pharmaceuticals, and Associate Director of Oncology Marketing at Millennium Pharmaceuticals. Mr. Wiley also held multiple

commercialization positions of increasing responsibility at Aventis/Sanofi Oncology from 1992-2004. Mr. Wiley received his B.A. from The Pennsylvania State University.

#### CD&A Reference Guide

Executive Summary	<b>Section I</b>
Objectives and Philosophy	<b>Section II</b>
Establishing Executive Compensation	<b>Section III</b>
Elements of our Compensation	<b>Section IV</b>
Additional Compensation Practices and Policies	<b>Section V</b>

## I. EXECUTIVE SUMMARY

We are a late-stage biopharmaceutical company focusing on discovering, developing and commercializing novel immuno-oncology product candidates to improve the lives of patients with cancer. Our IDO pathway inhibitors are designed to harness multiple components of the immune system to combat cancer.

Please see our Annual Report on Form 10-K filed with the SEC on March 5, 2018, for more information on our business and goals in 2018. Highlights from our business include:

Business and Operational Highlights	Financial Performance
<sup>1</sup> Presented updated Phase 2 data of indoximod plus pembrolizumab in advanced melanoma at the Third Annual International Cancer Immunotherapy Conference with encouraging overall and complete response rates and progression-free survival	<sup>1</sup> <b>Capital Raising:</b> Successfully raised \$74.3 million, net of offering costs, and ended 2017 with \$158.7 million in cash and equivalents (\$131.5 million in 2016)
<sup>1</sup> Presented Phase 2 data from randomized, double-blind study of indoximod plus cancer vaccine for patients with metastatic castration-resistant prostate cancer at ASCO Annual Meeting, indicating statistically significant improvement in median progression-free survival compared to monotherapy	<sup>1</sup> <b>Managed R&amp;D Expenses:</b> Research and development expenses were \$17.5 million and \$69.9 million in the fourth quarter and year ended December 31, 2017 compared to \$19.5 million and \$93.3 million during the comparable periods in 2016. The decrease year-over-year was due primarily to higher restructuring charges of \$11.1 million incurred in 2016, including a non-cash charge of \$4.0 million related to impaired assets, as compared to \$600,000 of charges incurred in 2017.
<sup>1</sup> Commenced dose determination portion of Indigo301	
<sup>1</sup> Entered into a collaboration with AstraZenica on Indigo201	
<sup>1</sup> Presented Phase 1b data of indoximod plus chemotherapy in newly diagnosed AML suggesting the potential for indoximod in treatment regimens beyond PD-1	

We have determined our core clinical priorities for 2018, which include:

- Initiating randomization portion of Indigo301, a pivotal Phase 3 trial for patients with advanced melanoma, in the second or third quarter of 2018
- Obtaining full Phase 2 results of indoximod plus checkpoint inhibitors in metastatic melanoma in the first half of 2018
- Initiating Indigo201, a randomized Phase 2 trial for patients with metastatic pancreatic cancer, in the first half of 2018
- Obtaining full Phase 2 results from the single-arm trial of indoximod plus gemcitabine nab-paclitaxel in metastatic pancreatic cancer in the first half of 2018
- Continuing to evaluate of indoximod in additional oncology indications

As described throughout this CD&A, through a combination of our thoughtful pay setting approach and shareholder outreach efforts in 2017, we have continued to refine our executive compensation program to reflect our current strategy, operational priorities and achievements, and to motivate our management team to build long-term, sustainable stockholder value.

### Consideration of Say-on-Pay Results and Stockholder Outreach

Our Compensation Committee and Board value the opinions of our stockholders and consider the outcome of each non-binding advisory stockholder vote on compensation (commonly referred to as a "say-on-pay" vote) when they advise on and make compensation decisions for our executive officers.

At our 2017 annual stockholder meeting, our say-on-pay vote was approved, on an advisory basis, with approximately 61% support. These results represented a marked decline from 80% support in 2016 and over 90% in prior years. While the 2017 vote results indicated that the majority of our stockholders generally supported our approach to linking compensation to our operating and organizational objectives and the creation of long-term stockholder value, the decrease in year-over-year stockholder support was concerning to the Compensation Committee. Accordingly, the Compensation Committee and management agreed that discussions with stockholders should be pursued to better understand the concerns of our investors.

For this stockholder outreach we contacted the top 44 stockholders, representing approximately 81% of the total shares outstanding. Twenty-one of the stockholders (representing approximately 69% of total shares outstanding) responded to our outreach. While not all investors determined a conversation was necessary, the discussions we did have were instrumental in enhancing our understanding of investor viewpoints regarding the design and disclosure of our executive compensation programs.

Our Chief Financial Officer and Director of Investor Relations led the stockholder meetings on behalf of the Company. The agenda for the meetings requested feedback from stockholders and also generally included the following topics, depending on the requests from the individual investor: (1) a discussion of Company performance and current state of the business, (2) a review of the Company's compensation and governance practices, and (3) a review of enhancements to the Company's compensation program in 2017 (see box for overview). While the stockholders with whom we engaged offered varying perspectives about executive compensation, the 2017 compensation enhancements - particularly the increase in performance-linked pay and the adjustments to our peer group - were viewed favorably.

These engagement meetings were very fruitful for us and we believe we came away with a deeper understanding of investor expectations. The feedback we received in these meetings at times included suggestions on where our disclosure could be further enhanced to provide greater clarity. Below is a brief list of the items regarding this disclosure and the key actions we took or are considering in response to the concerns:

#### What We Heard from Shareholders

- 1 More disclosure should be provided in the CD&A regarding performance metrics and potential award payout levels
- 1 A detailed explanation for any discretionary award should be incorporated into the CD&A
- 1 Commentary regarding corporate setbacks should be included in the proxy when relevant to compensation decisions or payouts
- 1 More clarity and detail regarding the overall relationship between pay and performance should be conveyed through the CD&A

#### Company Response

- 1 We have provided greater details regarding the performance metrics used in our long-term incentive plans
- 1 While no discretionary awards were granted to executives in 2017, we nevertheless understand the need to provide such details and rationale going forward
- 1 We have enhanced the Executive Summary section of this CD&A to extensively relate our business, operational and financial performance. Where appropriate in other sections, we have included statements on the effect this performance has had on incentive awards realized.
- 1 We have revised the 2018 CD&A to provide substantially enhanced disclosures of our compensation programs and our pay and performance linkage. Our disclosure provides an additional level of detail on pay mix, realizable pay and earned incentive payouts.

We believe that the compensation program enhancements, as well as our commitment to improved transparency in our disclosure, have addressed our investors' concerns and have resulted in a compensation program that best serves our Company and our stockholders. That said, the Compensation Committee and management recognize the benefits of engaging in a dialogue with our stockholders, and we expect to review our compensation practices and consider stockholder feedback on an ongoing basis to ensure alignment between our executive officers' compensation, our business objectives, and the interests of our stockholders.

## How Our Compensation Program Works

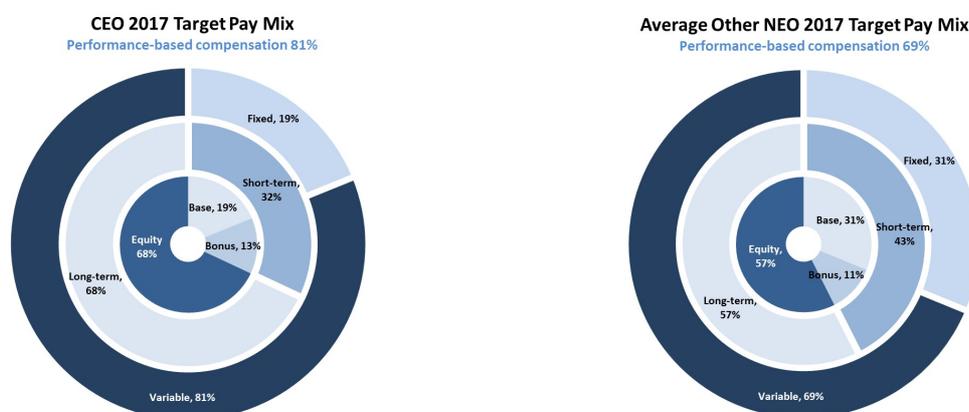
Our executive compensation philosophy continues to be based on attracting and retaining top talent while providing competitive compensation that creates a direct, meaningful link between business results and compensation opportunities. We rely on the following three primary elements:

<b>Annual</b>	Base Salary	Base salaries are set to be competitive to the marketplace and are important in attracting and retaining talented executives. Recognition of an individual's role and responsibilities; provides fixed competitive pay for retention purposes.
	Short-Term Incentives	Cash incentives are designed to reward the achievement of annual corporate and individual objectives.
<b>Multi-Year</b>	Long-Term Equity	<p>Long-term equity awards have historically been delivered as stock options, restricted stock units ("RSUs") and performance stock units ("pRSUs").</p> <p>These awards incentivize executives to create and deliver long-term shareholder value, while also providing a retention vehicle for our executive talent.</p> <p>In 2017, based on shareholder feedback, 50% of equity awards to our top executives was delivered as performance-based equity.</p>

We view each of the elements of our compensation program as related but distinct, and we have not established any formal policies or guidelines for allocating compensation between the elements. For example, we do not believe that significant compensation derived from one element of compensation, such as equity appreciation, should adversely affect compensation from other elements, such as salary or bonus.

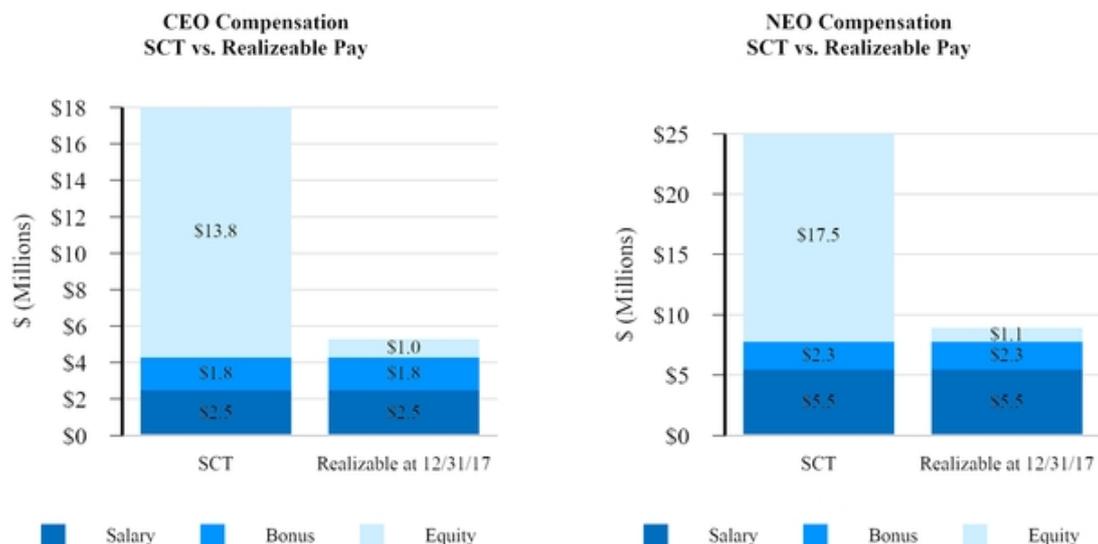
## Executive Pay Mix

Consistent with our desire to align pay and performance, we take the above mentioned elements and more heavily weight their distribution towards variable or at-risk pay. Although our Compensation Committee does not target a specific allocation for each pay element, the Compensation Committee is nevertheless cognizant of delivering an appropriate balance between fixed and variable elements, as well as short- and long-term incentives, as evidenced here in the following target pay mix allocation charts:



## Realizable Pay

We believe strong pay for performance programs align the short-term and long-term interests of management and stockholders. One way to demonstrate this alignment is to take a snapshot of compensation and note the variance versus the amounts reported as the grant date fair value in the Summary Compensation Table (an accounting value, as required by the SEC). As show in the graphs below, the difference between the reported values (the "SCT" stacked bar) and the realizable pay (the other bar) for 2015 through 2017 is significant, particularly in light of how our incentive pay designs have functioned relative our stock price performance in the past two years.



**"SCT" pay** is the pay levels as disclosed in the Summary Compensation Table annually. This includes actual base salary, actual annual bonuses received, and long-term incentive components (restricted stock units and annual stock option grants) based on the grant date fair value.

**"Realizable" pay** is defined as the compensation earned or deliverable for each year calculated as of the end of the 2017 fiscal year, including: actual salary received, actual annual bonuses received, and the intrinsic value of long-term incentive plan components, as valued on December 29, 2017 (the last trading day of fiscal year 2017) using the year-end share price of \$8.11/share. Options are valued based on spread value as of December 29, 2017.

## Compensation Governance Practices

Our pay-for-performance philosophy and compensation governance practices provide an appropriate framework for to our executives to achieve our financial and strategic goals without encouraging them to take excessive risks in their business decisions. Some of our core practices include:

What We Do	ü	Pay-for-performance philosophy and culture
	ü	**NEW** At least 50% of NEO equity grants are performance-based
	ü	**NEW** Comprehensive clawback policy for executive officers on cash and equity incentives
	ü	Responsible use of shares under our long-term incentive program
	ü	**NEW** Strong stock ownership requirements for all executives
	ü	Engage an independent compensation consultant
	ü	Perform an annual risk assessment of our compensation program
	ü	Conduct annual shareholder outreach
	ü	**NEW** Peer group revised to reflect current market capitalization and stage of development
	ü	Double-trigger change-in-control provision
What We Don't Do	û	No hedging and pledging of Company stock
	û	No excise tax gross-ups
	û	No backdating or repricing of stock option awards
	û	No supplemental executive retirement plans
	û	No excessive perquisites

## II. OBJECTIVES AND PHILOSOPHY

Our executive officer compensation program is intended to achieve the following objectives:

- Attract and incentivize talented individuals to lead and manage our business;
- Reward our executive officers fairly over time and to retain those individuals who continue to meet our high expectations;
- Align our executive officers' compensation with our business objectives and the interests of our stockholders; and
- Make us competitive in the biopharmaceutical industry, where there is significant competition for talented employees.

Our compensation philosophy also considers substantial corporate accomplishments and developments, including continued clinical advancement, ongoing technological and pipeline development, clinical trial enrollment and significant collaboration and licensing transactions.

## III. ESTABLISHING EXECUTIVE COMPENSATION

We seek to foster a performance-oriented culture, where individual performance is aligned with organizational objectives. In order to achieve this objective, we evaluate and reward our executive officers based on their contributions to the achievement of annual goals and objectives set early in the year. Performance is reviewed each year through the processes discussed further below, with a focus on our research, clinical, regulatory, financial and operational performance, and in view of economic and financial conditions affecting the performance period.

### Role of our Compensation Committee

Our Compensation Committee is responsible for reviewing and making recommendations to our full Board regarding the compensation to be paid to our executive officers and directors. All compensation decisions regarding our executive officers and directors are ultimately made by our Board.

From time to time, various members of management and other employees as well as outside advisors or consultants may be invited by our Compensation Committee to make presentations, to provide financial or other background information or advice or to otherwise participate in Compensation Committee meetings. The charter of our Compensation Committee grants our Compensation Committee full access to all books, records, facilities and personnel of the Company, as well as the authority to obtain, at the expense of the Company, advice and assistance from independent third party consultants, where appropriate. In particular, our Compensation Committee has the sole authority to select, retain and terminate compensation consultants to assist in its evaluation of executive and director compensation, including the sole authority to approve the consultant's reasonable fees and other retention terms. Under the charter, our Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to our Compensation Committee, other than in-house legal counsel, only after taking into consideration six factors, prescribed by the SEC and NASDAQ, that bear upon the adviser's independence.

In arriving at the amount and types of initial compensation for each of our executive officers, our Compensation Committee and our Board consider the following factors:

- The individual's particular background and circumstances, including prior relevant work experience and compensation paid prior to joining us;
- The individual's role with us and the compensation paid to persons holding similar roles in similarly situated companies represented in the compensation data that we review;
- The demand for people with the individual's specific expertise and experience;
- Performance goals and other expectations for the individual's position;
- Comparison to our other executive officers having similar levels of expertise and experience; and
- Recommendations from our compensation consultant.

### **Role of Consultants**

For fiscal year 2017, our Compensation Committee retained Radford, an Aon company, as its independent compensation consultant to advise on various aspects of executive compensation and our overall equity practices. Radford was retained by and reported directly to our Compensation Committee. Radford did not provide any other consulting services to our Company.

Annually, our Compensation Committee has considered the following six factors, as set forth by the SEC and NASDAQ, when engaging Radford and evaluating its independence: (i) the provision of other services to our Company by Radford; (ii) the amount of fees from our Company paid to Radford as a percentage of the firm's total revenue; (iii) Radford's policies and procedures that are designed to prevent conflicts of interest; (iv) any business or personal relationship of Radford or the individual compensation advisors employed by the firm with an executive officer of our Company; (v) any business or personal relationship of the individual compensation advisors with any member of our Compensation Committee; and (vi) any stock of our Company owned by the individual compensation advisors employed by the firm. Based on its review, our Compensation Committee has determined that the work of Radford has not raised any conflict of interest that would adversely affect Radford's independence.

### **Role of Our Chief Executive Officer**

In connection with each annual review cycle our Chief Executive Officer meets with our executive officers to discuss our accomplishments during the year and the individual's performance and contributions over the prior year. Based on these discussions, our Chief Executive Officer then develops a set of compensation recommendations for submission to our Compensation Committee. Our Compensation Committee uses these recommendations, its own judgment and experience, and the resources described above to determine the appropriate mix of compensation for each of our executive officers, and then makes formal recommendations regarding executive compensation decisions to our full Board. In making these recommendations, our Compensation Committee does not delegate any of its functions to others. Our Chief Executive Officer does not participate in the determination of his own compensation.

### **Compensation Policies and Practices as They Relate to Risk Management**

We believe that risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on us. In addition, our Compensation Committee believes that the mix and design of the elements of executive compensation do not encourage management to assume excessive risks.

Our Compensation Committee annually reviews the elements of executive compensation to determine whether any portion of executive compensation encouraged excessive risk taking and has concluded that:

- significant weighting towards long-term incentive compensation discourages short-term risk taking, including use of multi-year vesting for equity awards, which comprise the majority of compensation awards;
- goals are set to focus mainly on key events related to the overall success of our product development rather than individual elements;
- our anti-hedging, anti-pledging policies and stock ownership guidelines are important safeguard against excessive risk taking;
- incentive awards are assessed relative to appropriate market data to calculate reasonable overall compensation; and
- as a biopharmaceutical business, we do not face the same level of risks associated with compensation for employees at financial services companies (traders and instruments with a high degree of risk).

## Peer Analysis

As part of its engagement, Radford was requested by our Compensation Committee to develop a comparative group of current peer companies and to perform analyses of competitive performance and compensation levels for that group.

Each year, our Compensation Committee and our Board reviews the compensation of our executive officers and determines whether any adjustments should be made to each element. In determining whether to adjust the compensation of any of our executive officers, our Compensation Committee and our Board generally take into account the following factors:

- Compensation generally paid by similarly situated companies to their executive officers with similar roles and responsibilities;
- Formal market data regarding base salary, cash incentives and equity compensation from surveys of biopharmaceutical and biotechnology companies conducted by our compensation consultant;
- The roles and responsibilities of our executive officers, including any increases or decreases in responsibilities; and
- The contributions to achieving our corporate objectives and the individual performance of each executive officer.

## 2017 Peer Group

For our 2017 Peer Group, Radford helped to identify peers similar to us with respect to sector and developmental stage as well as market capitalization and organizational complexity (as measured by number of full-time employees).

- **Sector and Developmental Stage** - focused on biopharmaceuticals companies in Late stage / pre-commercial Phase II/III
- **Market Capitalization** - Valuation between \$200 million and \$1 billion (generally 0.5 times to 3.0 times our market capitalization)
- **Organization Complexity** - 50 to 300 employees

Our 2017 Peer Group, identified in late 2016 and used in 2017 compensation decisions at the beginning of 2017, consisted of the following companies:

Aduro BioTech	Coherus Biosciences	MannKind
Agenus	Dynavax Technologies	Merrimack Pharmaceuticals
Array BioPharma	Epizyme	Mirati Therapeutics
Bellicum Pharmaceuticals	ImmunoGen	OncoMed Pharmaceuticals
Celldex Therapeutics	Infinity Pharmaceuticals	Regulus Therapeutics
Cempra	Inovio Pharmaceuticals	Rigel Pharmaceuticals
ChemoCentryx	Karyopharm Therapeutics	Sangama BioSciences
Chimerix	Keryx Biopharmaceuticals	TG Therapeutics
Clovis Oncology	MacroGenics	Xencor
		ZIOPHARM Oncology

The Compensation Committee uses competitive compensation data from the annual total compensation study of peer companies to inform its decisions about overall compensation opportunities and specific compensation elements. Additionally,

the Compensation Committee uses multiple reference points when establishing targeted compensation levels. The Compensation Committee does not benchmark specific compensation elements or total compensation to any specific percentile relative to the peer companies or the broader U.S. market. Instead, the Compensation Committee applies judgment and discretion in establishing targeted pay levels, taking into account not only competitive market data, but also factors such as Company, business unit and individual performance, scope of responsibility, critical needs and skill sets, leadership potential and succession planning.

## 2018 Peer Group

In September 2017, Radford assisted the Compensation Committee with assessing the continued appropriateness of its compensation peers. Upon this review, eight companies were removed from the peer group for 2018 due to either market capitalization considerations, a change in developmental stage, or both. To replace these peers, Radford and the Compensation Committee identified six companies which were more appropriate for inclusion. These changes were as follows:

- **Removed (8):** Array BioPharma, Clovis Oncology, Infinity Pharmaceuticals, Keryx Biopharma, MannKind, Merrimack Pharmaceuticals, OncoMed Pharmaceuticals, and Regulus Therapeutics.
- **Added (6):** Achillion Pharmaceuticals, Calithera Biosciences, Idera Pharmaceuticals, Ignyta, Immuge Design, and Iovance Biotherapeutics.

## IV. ELEMENTS OF OUR COMPENSATION

Our executive compensation program consists of three primary components: base salary, short-term incentives, and long-term equity incentives.

### Base Salary

Base salary is the primary fixed element of our executive compensation program. We use base salary to compensate our executive officers for services rendered during the fiscal year, and to ensure that we remain competitive in attracting and retaining executive talent.

Upon joining us, each of our executive officers, with the exception of Dr. Link, received an offer letter that provided for an initial base salary. These initial base salaries are the product of negotiation with the executive, but we generally seek to establish salaries that we believe are commensurate with the salaries paid to industry peers with comparable qualifications, experience, responsibilities and performance at similar companies. Our Compensation Committee has also relied on its members' collective experience in the marketplace for determining what they believe to be the market rate of salaries for executives of comparable companies.

Historically, we have not applied, nor do we intend to apply, specific formulas to determine base salary increases. Instead, we annually review corporate and individual performance. Our Compensation Committee examines numerous factors, including the executive's expertise, seniority, position, functional role, level of responsibility and individual performance during the previous year. Further, our Compensation Committee reviews peer and market data as provided by Radford.

In early 2017, after reviewing market data and stockholder feedback as discussed above, as well as our corporate performance, our Compensation Committee determined to freeze executive base salaries at 2016 levels. In July 2017, however, based on our continued lagging stock price performance through the first half of the year, our top executive team determined to voluntarily reduce their base salaries by 10%.

Executive	2016 Base Salary	2017 Base Salary	% Change	July 2017 Voluntary Reduction	New Annual Base Salary Rate
Charles J. Link, Jr., M.D.	\$659,900	\$659,900	0.0%	10%	\$593,900
Nicholas N. Vahanian, M.D.	\$574,300	\$574,300	0.0%	10%	\$516,900
John B. Henneman, III	\$423,600	\$423,600	0.0%	10%	\$381,200
Eugene P. Kennedy, M.D.	\$369,600	\$425,000	15.0%*	—	\$425,000
Brian Wiley	\$370,700	\$370,700	0.0%	10%	\$333,600

\*Dr. Kennedy's base salary increased in connection with his appointment as Chief Medical Officer in November 2017.

## 2018 Base Salaries

Following the voluntary reduction in executive base salaries in July 2017, the Compensation Committee determined to freeze base salaries at these newly-reduced levels for 2018.

## Short-Term Cash Incentives

Our performance-based cash incentives are designed to provide executive officers with the opportunity to earn annual cash awards based upon the achievement of pre-specified corporate and individual performance objectives which align with and support Newlink's business strategy.

Shortly before the end of each fiscal year, our Board determines the annual target bonus percentages for our executive officers for the upcoming fiscal year based on the recommendations of our Compensation Committee. Generally, each executive officer is eligible for a discretionary annual cash incentive payment up to a specified percentage of the executive officer's salary. Our Board sets these annual target bonus percentages at levels that, upon achievement of the target percentage, are likely to result in cash bonus payments that our Board believes to be approximately the level paid to high-performing executives of comparable companies in the biopharmaceutical industry.

For 2017, based upon recommendations of our Compensation Committee with the assistance of Radford, our Board maintained target bonus amounts for Dr. Link, Dr. Vahanian, Mr. Henneman, Dr. Kennedy and Mr. Wiley equal to 70%, 50%, 40%, 40% and 35% of their respective base salaries, in line with 2016 levels. Our Board reserved the ability to grant bonuses in excess of the executives' target bonus percentages for extraordinary performance.

## 2017 Performance Objectives

The performance goals for each fiscal year are determined by the Board in the first quarter of each fiscal year, and typically include corporate and individual performance objectives which are tailored to each executive's role and responsibilities.

For 2017, our CEO, Dr. Charles Link, had the following performance goals:

Metric	Weight	High (100%)	Median (50%)	Low (0%)
Progress Indoximod in the clinic	40%	Q4. FPI in Comparative Phase 1 study of Salt Formulation  Q4. FPI in Phase 1 Safety study for the pro-indoximod	Q1. Submit a new Investigational New Drug Application, or IND, for Pro-indoximod  Q2. Complete API manufacturing of the salt formulation  Q3. Complete Formulation Development and Manufacturing of Salt Formulation	Did not complete
Achieve use-of-cash targets per the operating plan, excluding the effects of new acquisitions or business development initiatives	30%	Use \$56M to \$59M	>\$59M to <\$61M	>\$61M
Continued effective management of the Genentech Collaboration	10%	Satisfactory		Unsatisfactory
Develop and execute an organization assessment and succession and talent planning process identifying key positions, missing expertise, the potential of individual employees and development options to facilitate the appropriate development to meet the strategic objectives of the organization	20%	Identify and create Succession Plan for Key Critical positions and Complete a Talent Assessment (performance x potential) for director level and above. Plan and assessment to be completed and approved by BOD in July Meeting	Complete either Succession Plan or Talent Assessment analysis	Did not complete

Our other executives had similar corporate and individual goals with specified weightings and performance measures. For 2017, these goals were as follows:

Executive	Metric	Weighting
<b>Nicholas Vahanian</b>	Progress Indoximod in the clinic	30%
	Develop and execute an organization assessment and succession and talent planning process identifying key positions, missing expertise, the potential of individual employees and development options to facilitate the appropriate development to meet the strategic objectives of the organization	20%
	Achieve use-of-cash targets per the operating plan, excluding the effects of new acquisitions or business development initiatives	25%
	Obtain a strategic partner for Zika vaccine or terminate the Zika program	15%
	BARDA Ebola program novation to Merck of government contracts or optimally manage responsibilities as prime contractor	10%
<b>Jack Henneman</b>	Achieve use-of-cash targets per the operating plan, excluding the effects of new acquisitions or business development initiatives	30%
	Progress Indoximod in the clinic	20%
	Maintain and develop relationships with key financial institutions, analysts and portfolio managers to promote and sustain the interest of institutional investors. Emphasize credibility, achievable expectations and transparency. Increase sell-side analyst coverage.	20%
	BARDA Ebola program novation to Merck of government contracts or optimally manage responsibilities as prime contractor	20%
	Complete timely required SEC filings and have no material variances or internal controls issues per Audit Committee	10%
<b>Eugene Kennedy</b>	Advance Indoximod Program in Melanoma	35%
	Support the Phase 2 Pancreatic Trial (AstraZeneca Collaboration)	20%
	Advance Pediatric Brain Tumor Program	35%
	Continue Development of NLG802 (Indoximod Pro-drug)	10%
<b>Brian Wiley</b>	Successfully manage and continually improve relationships with key collaborators (Currently, GEN and MERCK)	30%
	Conduct continued Search and Evaluation efforts to evaluate potential assets that would align with and potentially synergize with current strategy or successfully integrate new asset	30%
	BARDA Ebola program novation to Merck of government contracts or optimally manage responsibilities as prime contractor	20%
	Obtain a strategic partner for Zika vaccine	20%

At the end of the fiscal year, our Compensation Committee assesses the accomplishments of each executive versus each of the aforementioned goals and recommends earned bonus amounts to the Board for approval. The Compensation Committee retains the ability to apply negative discretion to adjust bonus amounts lower based on other corporate performance factors.

## 2017 Earned Bonuses

In 2018, the Compensation Committee determined that executives had achieved 90% of their bonus objectives for 2017, and bonuses were paid accordingly. Final bonus payouts for 2017 performance were as follows:

Executive	2017 Target Bonus		2017 Earned Bonus	
	%	\$	%	\$
Charles J. Link, Jr., M.D.	70%	\$415,730	90%	\$374,157
Nicholas N. Vahanian, M.D.	50%	\$258,450	90%	\$184,200
John B. Henneman, III	40%	\$152,480	90%	\$137,232
Eugene P. Kennedy, M.D.	40%	\$170,000	90%	\$153,000
Brian Wiley	35%	\$116,760	90%	\$105,084

Note: Target bonuses were based on a percentage of each executive's salary as of December 31, 2017 and therefore based on the new, voluntarily-reduced salaries for our top executives.

## 2018 Performance Bonus Targets

Our Compensation Committee has determined to leave target bonus amounts for all executives unchanged from 2017 (and 2016) levels. As such, target bonus amounts for Dr. Link, Dr. Vahanian, Mr. Henneman, Dr. Kennedy and Mr. Wiley equal to 70%, 50%, 40%, 40% and 30% of their respective base salaries.

## Long-Term Equity Compensation

Equity incentives represent the largest at-risk element of our executive compensation program. Our equity incentives are designed to align the interests of our executive officers with those of our stockholders by creating an incentive for our executive officers to maximize stockholder value and to remain employed with us despite a competitive labor market.

Historically, our equity compensation grants are made to our existing executive officers during the first quarter of each fiscal year, and have historically been in the form of restricted stock units ("RSUs") and stock options. The number of stock awards is based on a targeted percentage of our outstanding shares based on a particular percentage of our peer group. Based upon shareholder feedback, the Compensation Committee determined to award our executives in 2017 a target long-term incentive award value delivered in the form of time based stock options and performance based stock options, weighted equally between the two award types. The Compensation Committee believes this vehicle mix further reinforces our pay for performance philosophy, as value is only provided to executives if shareholder value is created and important business milestones are met.

## 2017 Equity Grants

On January 3, 2017, our Compensation Committee granted the following time based and performance based stock options to our executives as follows:

Executive	Time-vesting Stock Options (#)	Performance-based Stock Options (#)
Charles J. Link, Jr., M.D.	163,144	163,144
Nicholas N. Vahanian, M.D.	156,250	156,250
John B. Henneman, III	68,750	68,750
Eugene P. Kennedy, M.D.	50,000	—
Brian Wiley	75,000	—

For Dr. Kennedy and Mr. Wiley, 100% of the option grants will vest monthly over 48 monthly installments. For Dr. Link, Dr. Vahanian, and Mr. Henneman, 50% of option grants will vest monthly over 48 monthly installments, as in past years. The other 50% of options grants will vest contingent on the achievement of performance conditions as follows:

- 12.50% upon completion of current planned Phase 1 equivalency study of new indoximod salt formulation with “completion” measured by the last patient enrolled in such study
- 12.50% upon completion of the current planned Phase 1 study of pro-indoximod new chemical entity with "completion" measured by the last patient enrolled in such study
- 12.50% upon increase of closing share price of the Company’s common stock on the Nasdaq Stock Market by at least 33% above exercise price of the stock options granted on January 3, 2017, when measured over 30 consecutive calendar days (must occur by January 3, 2021 or such shares will be forfeited), and
- 12.50% upon increase of closing share price of the Company’s common stock on the Nasdaq Stock Market by at least 50% above the exercise price of the stock options granted on January 3, 2017, when measured over 30 consecutive calendar days (must occur by January 3, 2021 or such shares will be forfeited).

Dr. Kennedy also received an additional stock option grant on July 13, 2017 of 1,000 options for his extraordinary efforts in advancing a new IND. Dr. Kennedy also received a stock option grant on November 13, 2017 of 37,500 options in connection with his promotion to Chief Medical Officer.

## V. ADDITIONAL COMPENSATION POLICIES AND PRACTICES

### Executive Stock Ownership Guidelines

In March 2017, we adopted stock ownership guidelines for our executive officers requiring each individual serving as an executive officer to maintain beneficial ownership of a minimum dollar amount of shares of our common stock. For the purposes of determining stock ownership levels, the following forms of equity interests are included: shares owned by the executive officer directly or through a broker, or held in trust for the benefit of, the executive officer or his or her immediate family members; 50% of shares held as restricted stock; 50% of shares underlying restricted stock units; and 50% of the in-the-money value of vested stock options granted under our equity plans; and other stock or stock equivalent awards determined by the Compensation Committee. The applicable guidelines must be met within three years from the date he or she becomes subject to the stock ownership guidelines to achieve compliance.

<b>Position</b>	<b>Requirement</b>
Chief Executive Officer	3x base salary
President	2x base salary
Other executives	1x base salary

### Anti-Hedging and Anti-Pledging Policies

We expressly prohibit our employees and directors from: (i) engaging in hedging transactions or (ii) pledging our stock as collateral.

### Federal Tax Considerations

Generally, Section 162(m) of the Internal Revenue Code disallows a tax deduction to any publicly-held corporation for any remuneration in excess of \$1.0 million paid in any taxable year to its chief executive officer and each of its three next most highly-compensated named executive officers (other than its chief financial officer only for fiscal years prior to 2017). Remuneration in excess of \$1.0 million may be deducted if, among other things, it qualifies as “performance-based compensation” within the meaning of the Internal Revenue Code.

The 2017 tax reform legislation removed the “performance-based compensation” exception from Section 162(m). Accordingly, awards made after November 2, 2017, generally are not eligible for the “performance-based compensation” exception and will not be deductible to the extent that they cause the compensation of the affected executive officers to exceed \$1,000,000 in any year. Awards that were made and subject to binding written contracts in effect on November 2, 2017, are “grandfathered” under prior law and can still qualify as deductible “performance-based compensation,” even if paid in future years. Our Compensation Committee will continue to monitor these awards and endeavor to ensure that they are deductible if and when paid.

## **Accounting Considerations**

We account for equity compensation paid to our employees in accordance with Accounting Standards Codification, or ASC, topic 718, which requires us to measure and recognize compensation expense in our financial statements for all share-based payments based upon an estimate of their fair value over the service period of the award. We record cash compensation as an expense at the time the obligation is incurred.

## **401(k) Plan**

Our employees, including our executive officers, are eligible to participate in our 401(k) plan. Our 401(k) plan is intended to qualify as a tax qualified plan under Section 401 of the Code. Pursuant to the terms of our 401(k) plan, we provide a non-elective employer contribution of up to 3% of each participant's eligible compensation, or the Safe Harbor Contribution, with a possibility of additional discretionary contributions. In December 2017, our Board approved discretionary employer contributions in amounts that, when added to the Safe Harbor Contributions, amounted to 4.5% of total potential 2017 cash compensation for each member of the senior management team and 5% of total 2017 cash compensation for all other eligible employees.

## **Other Benefits and Perquisites**

We pay a portion of the premiums for medical insurance, dental insurance, life insurance and accidental death and dismemberment insurance benefits to all full-time employees, including our executive officers. These benefits are available to all employees, subject to applicable laws.

## **Compensation Policies and Practices as They Relate to Risk Management**

We believe that risks arising from our compensation policies and practices for our employees are not reasonably likely to have a material adverse effect on us. In addition, our Compensation Committee believes that the mix and design of the elements of executive compensation do not encourage management to assume excessive risks.

Our Compensation Committee annually reviews the elements of executive compensation to determine whether any portion of executive compensation encouraged excessive risk taking and has concluded that:

- significant weighting towards long-term incentive compensation discourages short-term risk taking, including use of multi-year vesting for equity awards, which comprise the majority of compensation awards;
- goals are set to focus mainly on key events related to the overall success of our product development rather than individual elements;
- our anti-hedging, anti-pledging policies and stock ownership guidelines are important safeguard against excessive risk taking;
- incentive awards are benchmarked to calculate reasonable overall compensation; and
- as a biopharmaceutical business, we do not face the same level of risks associated with compensation for employees at financial services companies (traders and instruments with a high degree of risk).

Furthermore, as described above in "Compensation Discussion and Analysis," compensation decisions include subjective considerations, which help to constrain the influence of formulae or objective factors on excessive risk taking.

## Summary Compensation Table

The following table sets forth information regarding compensation earned during the years ended December 31, 2017, 2016 and 2015, by our named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (1)	Stock Awards (2)(\$)	Option Awards(3)(\$)	Non-Equity Incentive Plan Compensation (\$)(4)	All Other Compensation (\$)(5)	Total (\$)
Charles J. Link, Jr., M.D.	2017	634,520	—	—	2,288,799	374,200	94,298 (6)	3,391,817
<i>Chief Executive &amp; Scientific Officer</i>	2016	659,900	55,000	2,594,053	3,071,426	230,965	93,500 (7)	6,704,844
	2015	640,700	—	1,964,250	3,825,722	422,862	102,960 (8)	6,956,494
Nicholas N. Vahanian, M.D.	2017	552,212	—	—	2,192,081	184,200	53,546 (9)	2,982,039
<i>President</i>	2016	574,300	43,000	1,705,000	1,939,848	143,575	44,200 (10)	4,449,923
	2015	531,800	—	1,091,250	2,167,018	305,785	61,706 (11)	4,157,559
John B. Henneman, III	2017	407,308	—	—	964,516	137,200	33,863	1,542,887
<i>Chief Financial Officer &amp; Secretary</i>	2016	423,600	26,250	903,675	2,153,813	84,720	26,729	3,618,787
	2015	365,200	—	87,300	173,896	167,992	23,994	818,382
Eugene P. Kennedy, M.D.	2017	376,007	—	—	589,829	153,000	30,354	1,149,190
<i>Chief Medical Officer</i>	2016	369,600	16,638	299,581	643,196	55,440	13,250	1,397,705
	2015	330,000	—	272,700	539,134	109,900	13,250	1,264,984
Brian Wiley	2017	356,442	—	—	547,341	105,100	29,992	1,038,875
<i>Chief Commercial Officer</i>	2016	370,700	19,525	465,208	637,668	64,873	22,755	1,580,729
	2015	319,600	—	323,010	626,027	95,880	18,697	1,383,214

- (1) The amounts shown in this column represent the supplementary cash bonuses earned by the named executive officers with respect to the fiscal year in connection with the restructuring of the Company after the failure of the Phase 3 algenpantucel-L clinical trials.
- (2) The assumptions we used in valuing RSUs are described under the caption “Share-Based Compensation” in note 2(1) to our financial statements included in our Annual Report on Form 10-K filed March 5, 2018. This column reflects compensation expense that would be recorded under FASB ASC topic 718 as stock-based compensation in our financial statements for the indicated year in connection with RSUs we granted in the indicated year.
- (3) The assumptions we used in valuing options are described under the caption “Share-Based Compensation” in note 2 to our financial statements included in our Annual Report on Form 10-K filed March 5, 2018. This column reflects compensation expense that would be recorded under FASB ASC topic 718 as stock-based compensation in our financial statements for the indicated year in connection with options we granted in the indicated year, disregarding the effects of any estimate of forfeitures related to service-based vesting.
- (4) The amounts shown in this column represent the cash bonuses earned by the named executive officers with respect to the fiscal year under our performance-based cash bonus program. Amounts earned with respect to the fiscal year are generally paid in the first quarter of the following year. For additional information, see the Compensation Discussion and Analysis beginning on page 23 of this proxy statement.
- (5) Unless otherwise indicated, amounts in this column represent our contributions under our 401(k) plan.
- (6) Amount includes: (i) a \$42,698 contribution under our 401(k) plan; and (ii) \$51,600 in personal benefits received by Dr. Link that we reimbursed or paid on his behalf in 2017, including rent for an apartment near our Texas office.
- (7) Amount includes: (i) a \$46,200 contribution under our 401(k) plan; and (ii) \$47,300 in personal benefits received by Dr. Link that we reimbursed or paid on his behalf in 2016, including rent for an apartment near our Texas office.
- (8) Amount includes: (i) a \$47,860 contribution under our 401(k) plan; and (ii) \$55,100 in perquisites and personal benefits received by Dr. Link that we reimbursed or paid on his behalf in 2015, including rent for an apartment near our Texas office.
- (9) Amount includes: (i) a \$36,000 contribution under our 401(k) plan; and (ii) \$17,546 in personal benefits received by Dr. Vahanian that we reimbursed or paid on his behalf in 2017, including rent for an apartment near our Texas office.
- (10) Amount includes: (i) a \$35,000 contribution under our 401(k) plan; and (ii) \$9,200 in personal benefits received by Dr. Vahanian that we reimbursed or paid on his behalf in 2016, including rent for an apartment near our Texas office.
- (11) Amount includes: (i) a \$37,691 contribution under our 401(k) plan; and (ii) \$24,014 in personal benefits received by Dr. Vahanian that we reimbursed or paid on his behalf in 2015, including rent for an apartment near our Texas office.

**Grants of Plan-Based Awards**

Name	Grant Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards(1)			All other Option Awards: Number of Securities Underlying Options (#)(2)	Exercise or Base Price of Option Awards (\$/Sh)(3)	Grant Date Fair Value of Option and Stock Awards(4)
		Threshold (\$)	Target (\$)	Maximum (\$)			
Charles J. Link, Jr., M.D.	1/3/2017	—	415,730	415,730			
	1/3/2017				163,144	10.55	\$1,190,605
	1/3/2017				163,144 (5)	10.55	\$1,190,605
Nicholas N. Vahanian, M.D.	1/3/2017	—	258,450	258,450			
	1/3/2017				156,250	10.55	\$1,140,293
	1/3/2017				156,250 (5)	10.55	\$1,140,293
John B. Henneman, III	1/3/2017	—	152,480	152,480			
	1/3/2017				68,750	10.55	\$501,729
	1/3/2017				68,750 (5)	10.55	\$501,729
Eugene P. Kennedy, M.D	1/3/2017	—	170,000	170,000			
	1/3/2017				50,000	10.55	\$347,960
	7/13/2017				1,000	7.73	\$5,284
	11/13/2017				37,500	8.90	\$236,585
Brian Wiley	1/3/2017	—	116,760	116,760			
	1/3/2017				75,000	10.55	\$547,341

- (1) These columns show the possible target and maximum cash bonus payments to the named executive officers for the year ended December 31, 2017 under our performance-based cash bonus program, which is described in more detail in the Compensation Discussion and Analysis beginning on page 23 of this proxy statement. The actual cash bonus awards earned by the named executive officers for the year ended December 31, 2017 are set forth in the Summary Compensation Table above under the column entitled "Non-Equity Incentive Plan Compensation," and the amounts set forth in these columns do not represent additional compensation paid to or earned by the named executive officers for the year ended December 31, 2017.
- (2) This column shows the number of shares of common stock underlying stock options granted to the named executive officers during the year ended December 31, 2017 under our 2009 Equity Incentive Plan. The stock options have a 10-year term, and unless otherwise stated, vest in equal monthly installments over the subsequent forty-eight months, subject to the recipient's continued employment with us through such vesting dates.
- (3) This column shows the exercise price for the stock options granted to the named executive officers during the year ended December 31, 2017, which equals the fair value of our common stock on the date of grant.
- (4) This column shows the full grant date fair value of the stock and option awards granted to the named executive officers during the year ended December 31, 2017, calculated under FASB ASC Topic 718. The full grant date fair value is the amount that we recognize as stock-based compensation expense in our financial statements over the required service period of the award. For additional information, see note 2(l) to our financial statements included in our Annual Report on Form 10-K, filed March 5, 2018.
- (5) Performance Stock Option Awards shall vest on the following schedule: (i) 12.50% of the options shall vest upon completion of current planned Phase 1 equivalency study of new Indoximod salt formulation with "completion" measured by the last patient enrolled in such study; (ii) 12.50% of the options shall vest upon completion of the current planned Phase 1 study of pro-Indoximod new chemical entity with "completion" measured by the last patient enrolled in such study; (iii) 12.50% of the options shall vest upon increase of closing share price on Nasdaq Stock Market by at least 33% above the exercise price of 2017 options on Date of Grant when measured over 30 consecutive calendar days (must occur within four years of Date of Grant or options are cancelled); and (iv) 12.50% of the options shall vest upon increase of closing share price on Nasdaq Stock Market by at least 50% above the exercise price of 2017 options on Date of Grant when measured over 30 consecutive calendar days (must occur within four years of Date of Grant or options are cancelled).

#### **Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table**

In August 2016, the Company issued stock options under a program designed to retain key employees following the failure of our Phase 3 clinical trials for algenpantucel-L. Mr. Henneman and Mr. Wiley each received stock options pursuant to such retention program, which grants are set forth in the "Grants of Plan-Based Awards" table beginning on page 39 of this proxy statement. These retention stock option grants resulted in a higher value and a larger number of stock options than had been awarded historically to such officers. Dr. Link and Dr. Vahanian did not receive stock options under this program.

The amount of salary and bonus for each of our NEOs in proportion to his total compensation, and the factors that our Compensation Committee considered in determining the proportion, are discussed under the heading "Compensation Discussion and Analysis" above.

#### **Employment Agreements**

We have entered into employment agreements with each of the NEOs. The material terms of the agreements that were in effect during fiscal 2017 for the NEOs are summarized below. Each of these agreements also contains severance and change of control provisions discussed under the heading "Potential Payments Upon Termination or Change in Control" beginning on page 47 of this proxy statement.

##### ***Employment Agreement with Dr. Charles J. Link, Jr.***

Pursuant to the employment agreement between us and Dr. Link that was amended and restated on January 4, 2016, Dr. Link earns an annual base salary, which is subject to annual review and adjustment by our Board. For 2017, Dr. Link earned an annual base salary of \$659,900, which was subsequently voluntarily reduced to \$593,910 per an amendment on July 26, 2017. Dr. Link is also eligible to receive an annual performance bonus based on his achievement of certain milestones and performance objectives. For 2017, Dr. Link's target bonus was set at 70% of his annual base salary.

The employment agreement with Dr. Link also provides that his employment with us is at-will and may be altered or terminated by either Dr. Link or us at any time. However, if we terminate Dr. Link's employment without just cause or if he resigns

for good reason (other than in connection with a change in control of us), as long as Dr. Link executes a general release in favor of us, he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading “Potential Payments Upon Termination or Change in Control” beginning on page 47 of this proxy statement.

The employment agreement with Dr. Link further provides that if we (or any surviving or acquiring corporation) terminate Dr. Link’s employment without just cause or if he resigns for good reason within one month prior to or 13 months following the effective date of a change in control, as long as Dr. Link executes a general release in favor of us (or any surviving or acquiring corporation), he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading “Potential Payments Upon Termination or Change in Control” beginning on page 47 of this proxy statement.

***Employment Agreement with Dr. Nicholas N. Vahanian***

Pursuant to the employment agreement between us and Dr. Vahanian that was amended and restated on January 4, 2016, Dr. Vahanian earns an annual base salary, which is subject to annual review and adjustment by our Board. For 2017, Dr. Vahanian earned an annual base salary of \$574,300, which was subsequently voluntarily reduced to \$516,870 per an amendment on July 26, 2017. Dr. Vahanian is also eligible to receive an annual performance bonus based on his achievement of certain milestones and performance objectives. For 2017, Dr. Vahanian’s target bonus was set at 50% of his annual base salary.

The employment agreement with Dr. Vahanian also provides that his employment with us is at-will and may be altered or terminated by either Dr. Vahanian or us at any time. However, if we terminate Dr. Vahanian’s employment without just cause or if he resigns for good reason (other than in connection with a change in control of us), as long as Dr. Vahanian executes a general release in favor of us, he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading “Potential Payments Upon Termination or Change in Control” beginning on page 47 of this proxy statement.

The employment agreement with Dr. Vahanian further provides that if we (or any surviving or acquiring corporation) terminate Dr. Vahanian’s employment without just cause or if he resigns for good reason within one month prior to or 13 months following the effective date of a change in control, as long as Dr. Vahanian executes a general release in favor of us (or any surviving or acquiring corporation), he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading “Potential Payments Upon Termination or Change in Control” beginning on page 47 of this proxy statement.

***Employment Agreement with John B. Henneman, III***

On January 4, 2016, we entered into an employment agreement with Mr. Henneman in connection with his employment as Executive Vice President, Chief Financial Officer and Secretary. Pursuant to the employment agreement, Mr. Henneman earns an annual base salary, which is subject to annual review and adjustment by our Board. In 2017, Mr. Henneman earned an annual base salary of \$423,600, which was subsequently voluntarily reduced to \$381,240 per an amendment on July 26, 2017. Mr. Henneman is also eligible to receive an annual performance bonus based on his achievement of certain milestones and performance objectives. In 2017, Mr. Henneman’s target bonus was set at 40% of his annual base salary.

The employment agreement with Mr. Henneman also provides that his employment with us is at-will and may be altered or terminated by either Mr. Henneman or us at any time. However, if we terminate Mr. Henneman’s employment without just cause or if he resigns for good reason (other than in connection with a change in control of us), as long as Mr. Henneman executes a general release in favor of us, he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading “Potential Payments Upon Termination or Change in Control” beginning on page 47 of this proxy statement.

The employment agreement with Mr. Henneman further provides that if we (or any surviving or acquiring corporation) terminate Mr. Henneman’s employment without just cause or if he resigns for good reason within one month prior to or 13 months following the effective date of a change in control, as long as Mr. Henneman executes a general release in favor of us (or any surviving or acquiring corporation), he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading “Potential Payments Upon Termination or Change in Control” beginning on page 47 of this proxy statement.

### ***Employment Agreement with Dr. Eugene Kennedy***

Pursuant to the employment agreement between us and Dr. Kennedy dated January 4, 2016, Dr. Kennedy earns an annual base salary, which is subject to annual review and adjustment by our Board. Following his promotion to Chief Medical Officer, Dr. Kennedy earns an annual base salary of \$425,000. Dr. Kennedy is also eligible to receive an annual performance bonus based on his achievement of certain milestones and performance objectives. In 2017, Dr. Kennedy's target bonus was set at 40% of his annual base salary.

The employment agreement with Dr. Kennedy also provides that his employment with us is at-will and may be altered or terminated by either Dr. Kennedy or us at any time. However, if we terminate Dr. Kennedy's employment without just cause or if he resigns for good reason (other than in connection with a change in control of us), as long as Dr. Kennedy executes a general release in favor of us, he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading "Potential Payments Upon Termination or Change in Control" beginning on page 47 of this proxy statement.

The employment agreement with Dr. Kennedy further provides that if we (or any surviving or acquiring corporation) terminate Dr. Kennedy's employment without just cause or if he resigns for good reason within one month prior to or 13 months following the effective date of a change in control, as long as Dr. Kennedy executes a general release in favor of us (or any surviving or acquiring corporation), he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading "Potential Payments Upon Termination or Change in Control" beginning on page 47 of this proxy statement.

### ***Employment Agreement with Mr. Brian Wiley***

Pursuant to the employment agreement between us and Mr. Wiley that was amended and restated January 4, 2016, Mr. Wiley earns an annual base salary, which is subject to annual review and adjustment by our Board. In 2017, Mr. Wiley earned an annual base salary of \$370,700, which was subsequently voluntarily reduced to \$333,630 per an amendment on July 26, 2017. Mr. Wiley is also eligible to receive an annual performance bonus based on his achievement of certain milestones and performance objectives. In 2017, Mr. Wiley's target bonus was set at 35% of his annual base salary.

The employment agreement with Mr. Wiley also provides that his employment with us is at-will and may be altered or terminated by either Mr. Wiley or us at any time. However, if we terminate Mr. Wiley's employment without just cause or if he resigns for good reason (other than in connection with a change in control of us), as long as Mr. Wiley executes a general release in favor of us, he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading "Potential Payments Upon Termination or Change in Control" beginning on page 47 of this proxy statement.

The employment agreement with Mr. Wiley further provides that if we (or any surviving or acquiring corporation) terminate Mr. Wiley's employment without just cause or if he resigns for good reason within one month prior to or 13 months following the effective date of a change in control, as long as Mr. Wiley executes a general release in favor of us (or any surviving or acquiring corporation), he will be entitled to receive certain payments and other benefits, which are described in more detail under the heading "Potential Payments Upon Termination or Change in Control" beginning on page 47 of this proxy statement.

### ***Confidential Information and Inventions Agreement***

Each of our named executive officers has entered into a form agreement with respect to confidential information and inventions. Among other things, this agreement obligates each named executive officer to refrain from disclosing any of our confidential information received during the course of employment and, with some exceptions, to assign to us any inventions conceived or developed during the course of employment.

Each of our named executive officers entered into a new form of agreement with respect to confidential information and inventions on January 4, 2016. The terms of these new agreements did not materially change from those to which the executives were previously party.

### Option Exercises and Stock Vested in 2017

The following table sets forth information regarding each exercise of stock options, and each vesting of restricted stock units, during the year ended December 31, 2017 for each of our NEOs on an aggregated basis.

<u>Name</u>	<u>Number of Shares Acquired on Exercise of Stock Options(#)</u>	<u>Number of Shares Acquired on RSU Vest(#)</u>	<u>Value Realized on Exercise or Vest (\$)</u>
Charles J. Link, Jr. M.D. <i>Chief Executive &amp; Scientific Officer</i>	—	28,659	\$303,475
Nicholas N. Vahanian, M.D. <i>President</i>	—	17,364	\$184,099
John B. Henneman, III <i>Chief Financial Officer &amp; Secretary</i>	—	14,747	\$153,657
Eugene P. Kennedy, M.D. <i>Chief Medical Officer</i>	—	2,604	24,221
Brian Wiley <i>Chief Commercial Officer</i>	—	4,870	\$51,276

### Outstanding Equity Awards at December 31, 2017

The following table provides information about outstanding stock options and restricted stock units held by each of our named executive officers at December 31, 2017. All of these options or restricted stock units were granted under our 2000 Equity Incentive Plan or our 2009 Equity Incentive Plan.

	<u>Number of Shares Underlying Unexercised Options(1)</u>		<u>Number of Shares Underlying Unvested Restricted Stock Units (2)</u>	<u>Option Grant Date</u>	<u>Option Exercise Price</u>	<u>Option Expiration Date</u>
	<u>(#) Exercisable</u>	<u>(#) Unexercisable (3)</u>				
Charles J. Link, Jr., M.D.	2,564	(4)(8)	—	6/1/2007	\$0.80	1/21/2019
	264,474	(4)(6)	—	6/1/2007	\$4.20	5/13/2019
	468,037	(4)(6)	—	12/4/2009	\$2.10	5/13/2019
	428,571	—	—	1/1/2009	\$2.97	12/4/2019
	50,792	—	—	4/14/2011	\$7.00	4/13/2021
	44,446	—	—	4/14/2011	\$7.00	4/13/2021
	9,385	—	—	1/19/2012	\$6.87	1/18/2022
	130,615	—	—	1/19/2012	\$6.87	1/18/2022

	10,012	—		1/14/2013	\$11.79	1/13/2023
	144,988	—		1/14/2013	\$11.79	1/13/2023
	2,896	2,266		1/2/2014	\$21.38	1/1/2024
	103,588	(5)	—	1/2/2014	\$21.38	1/1/2024
			5,750	1/2/2014	\$21.38	
	—	(5)	3,471	1/2/2015	\$43.65	1/1/2025
	104,270	(5)	35,259	1/2/2015	\$43.65	1/1/2025
			22,500	1/2/2015	\$43.65	
	—	(5)	2,780	1/4/2016	\$34.73	1/3/2026
	63,937	(5)	66,718	1/4/2016	\$34.73	1/3/2026
			34,980	1/4/2016	\$34.73	
	—	(5)	3,726	1/3/2017	\$10.55	1/2/2027
	37,387	(5)	122,031	1/3/2017	\$10.55	1/2/2027
	—		40,786 (9)	1/3/2017	\$10.55	1/2/2027
	—		40,786 (10)	1/3/2017	\$10.55	1/2/2027
	40,786	(11)	—	1/3/2017	\$10.55	1/2/2027
	40,786	(12)	—	1/3/2017	\$10.55	1/2/2027
Nicholas N. Vahanian, M.D.	145,451	(4)(7)	—	6/1/2007	\$2.10	5/12/2019
	59,444		—	6/1/2007	\$2.10	5/12/2019
	45,160		—	12/4/2009	\$2.97	12/3/2019
	335,792		—	12/4/2009	\$2.97	12/3/2019
	190,476		—	3/3/2010	\$3.07	3/2/2020
	14,286		—	4/14/2011	\$7.00	4/13/2021
	28,571		—	4/14/2011	\$7.00	4/13/2021
	16,159		—	1/19/2012	\$6.87	1/18/2022
	63,841		—	1/19/2012	\$6.87	1/18/2022
	9,385		—	1/14/2013	\$11.79	1/13/2023
	80,615		—	1/14/2013	\$11.79	1/13/2023
	3,643	(5)	1,485	1/2/2014	\$21.38	1/1/2024
	66,122	(5)	—	1/2/2014	\$21.38	1/1/2024
			3,750	1/2/2014	\$21.38	
	—	(5)	3,251	1/2/2015	\$43.65	1/1/2025
	59,062	(5)	18,687	1/2/2015	\$43.65	1/1/2025
			12,500	1/2/2015	\$43.65	
	—	(5)	2,513	1/4/2016	\$34.73	1/3/2026
	40,381	(5)	41,381	1/4/2016	\$34.73	1/3/2026
			22,092	1/4/2016	\$34.73	
	—	(5)	6,954	1/3/2017	\$10.55	1/2/2027
	35,807	(5)	113,489	1/3/2017	\$10.55	1/2/2027
	—		39,063 (9)	1/3/2017	\$10.55	1/2/2027
	—		39,063 (10)	1/3/2017	\$10.55	1/2/2027

	39,062	(11)	—		1/3/2017	\$10.55	1/2/2027
	39,062	(12)	—		1/3/2017	\$10.55	1/2/2027
John B. Henneman, III	13,071		4,357		10/1/2014	\$22.95	9/30/2024
	152,585		39,237		10/1/2014	\$22.95	9/30/2024
				10,198	10/1/2014	\$22.95	
	—	(5)	136		1/2/2015	\$43.65	1/1/2025
	4,739	(5)	1,625		1/2/2015	\$43.65	1/1/2025
				1,000	1/2/2015	\$43.65	
	—	(5)	3,674		1/4/2016	\$34.73	1/3/2026
	22,209	(5)	20,468		1/4/2016	\$34.73	1/3/2026
	66,666	(5)	83,334		8/9/2016	\$10.78	8/8/2026
				12,151	1/4/2016	\$34.73	
	—	(5)	7,731		1/3/2017	\$10.55	1/2/2027
	15,755	(5)	45,264		1/3/2017	\$10.55	1/2/2027
	—		17,188	(9)	1/3/2017	\$10.55	1/2/2027
	—		17,188	(10)	1/3/2017	\$10.55	1/2/2027
	17,187	(11)	—		1/3/2017	\$10.55	1/2/2027
	17,187	(12)	—		1/3/2017	\$10.55	1/2/2027
Eugene P. Kennedy, M.D.	13,128		1,042		1/7/2014	\$22.85	1/6/2024
	—	(5)	1,226		1/4/2016	\$34.73	1/3/2026
	—	(5)	146		7/13/2017	\$7.73	7/12/2027
	—		696		1/20/2015	\$39.05	1/19/2025
	—		1,250		6/23/2015	\$46.73	6/22/2025
	—	(5)	8,594		11/13/2017	\$8.90	11/12/2027
	—	(5)	9,651		1/3/2017	\$10.55	1/2/2027
	—		1,875		3/11/2014	\$30.48	3/10/2024
	35,830		—		1/7/2014	\$22.85	1/6/2024
	11,458	(5)	28,891		1/3/2017	\$10.55	1/2/2027
	22,222	(5)	27,778		8/9/2016	\$10.78	8/8/2026
	104	(5)	750		7/13/2017	\$7.73	7/12/2027
	7,291		2,013		1/20/2015	\$39.05	1/19/2025
	6,250		2,500		6/23/2015	\$46.73	6/22/2025
	781	(5)	28,125		11/13/2017	\$8.90	11/12/2027
	50,000		—		5/10/2013	\$15.33	5/9/2023
	28,125		—		3/11/2014	\$30.48	3/10/2024
	6,057	(5)	5,358		1/4/2016	\$34.73	1/3/2026
				500	1/20/2015	\$39.05	
				3,314	1/4/2016	\$34.73	
				2,500	6/23/2015	46.73	
Brian Wiley	12,731		—		1/14/2013	11.79	1/13/2023
	86,269		—		1/14/2013	11.79	1/13/2023

	2,333	(5)	563		1/2/2014	21.38	1/1/2024
	24,104	(5)	—		1/2/2014	21.38	1/1/2024
				1,425	1/2/2014	21.38	
	—	(5)	2,503		1/2/2015	43.65	1/1/2025
	17,062	(5)	3,835		1/2/2015	43.65	1/1/2025
				3,700	1/2/2015	43.65	
	—	(5)	2,647		1/4/2016	34.73	1/3/2026
	8,749	(5)	6,863		1/4/2016	34.73	1/3/2026
	13,333	(5)	16,667		8/9/2016	10.78	8/8/2026
				4,787	1/4/2016	34.73	
	—	(5)	9,787		1/3/2017	10.55	1/2/2027
	17,187	(5)	48,026		1/3/2017	10.55	1/2/2027

- (1) Unless otherwise indicated, these options have a 10-year term and vest over a four-year period, with 25% of the options vesting on the first anniversary of the vesting commencement date and the remaining 75% of the options vesting in equal monthly installments thereafter over the next three years, subject to the recipient's continued employment with us through such vesting dates.
- (2) Unless otherwise indicated, these restricted stock units vest annually over a four-year period, with 25% vesting on each of the first, second, third and fourth anniversaries, subject to the recipient's continued employment with us through such vesting dates.
- (3) This column shows options that were unvested as of December 31, 2017.
- (4) These options vest over a five-year period, with 20% of the options vesting on the first anniversary of the vesting commencement date and the remaining 80% of the options vesting in equal monthly installments thereafter over the next four years, subject to the recipient's continued employment with us through such vesting dates.
- (5) These options vest in equal monthly installments over 48 months.
- (6) Dr. Link was granted a total option of 732,511 shares at \$2.10 per share, which was amended on July 1, 2010 and split into separate grants of 468,037 with a price of \$2.10 and 264,474 with a price of \$4.20.
- (7) Dr. Vahanian was granted a total option of 331,296 shares at \$2.10 per share, which was amended on July 1, 2010 and split into separate grants of 313,673 with a price of \$2.10 and 17,624 with a price of \$4.20.
- (8) This number represents outstanding stock options to purchase our stock that were issued on January 7, 2011 in exchange for options to purchase stock in our subsidiary, BioProtection Systems Corporation.
- (9) These options vest upon completion of current planned Phase 1 equivalency study of new indoximod salt formulation with "completion" measured by the last patient enrolled in such study.
- (10) These options vest upon completion of the current planned Phase 1 study of pro-indoximod new chemical entity with "completion" measured by the last patient enrolled in such study.
- (11) These options vested upon an increase of closing share price of the Company's common stock on the Nasdaq Stock Market by at least 33% above exercise price of the stock options granted on January 3, 2017, when measured over 30 consecutive calendar days (must occur by January 3, 2021 or such shares will be forfeited).
- (12) These options vested upon an increase of closing share price of the Company's common stock on the Nasdaq Stock Market by at least 50% above the exercise price of the stock options granted on January 3, 2017, when measured over 30 consecutive calendar days (must occur by January 3, 2021 or such shares will be forfeited).

## Potential Payments Upon Termination or Change in Control

Under our 2009 Equity Incentive Plan, the vesting of stock options granted to our employees and officers may be accelerated in connection with specified corporate transactions and change in control transactions. Other than as set forth in the tables below, none of our other option grants provide for acceleration of vesting of any options in connection with such a transaction, except for certain options originally granted under our 2000 Equity Incentive Plan that may vest upon a change in control if the acquirer does not assume outstanding option grants. In addition, under our 2010 Non-Employee Directors' Stock Award Plan, in the event of a change in control, 100% of the shares subject to each Director's options will vest.

Under the terms of employment agreements with certain of our named executive officers in effect as of December 31, 2017, if we terminate such named executive officer's employment for "cause" or such named executive officer resigns without "good reason," such named executive officer is entitled to the following: (i) any salary earned but unpaid prior to termination; (ii) any benefits accrued prior to termination; (iii) all accrued but unused vacation; and (iv) any business expenses that were incurred but not reimbursed as of the date of termination (collectively, the "Accrued Obligations"). Following such termination, vesting of such named executive officer's then outstanding stock options shall cease on the date of such termination.

Under the terms of employment agreements with such named executive officers, if we terminate such named executive officer's employment without cause or such named executive officer resigns with good reason (other than in connection with a change in control), and in each case such named executive officer signs a general release and written acknowledgment of his continuing obligations under his confidentiality and inventions assignment agreement with us, such named executive officer is entitled to the following: (i) payment of the Accrued Obligations; (ii) depending on the named executive officer and as described in the tables below, the equivalent of 24, 18 or 6 months of such named executive officer's base salary as in effect immediately prior to the termination date, payable on the same basis and at the same time as previously paid and subject to employment tax withholdings and deductions; (iii) for certain of the named executive officers and as described in the tables below, a bonus payout equal to the most recent annual bonus paid to the named executive officer or a portion thereof; (iv) depending on the named executive officer and as described in the tables below, payment of such named executive officer's COBRA premiums for 24, 18, 12 or 6 months to be paid in order for such named executive officer to maintain medical insurance coverage that is substantially equivalent to that which such named executive officer received immediately prior to the termination payment of premiums for his group health insurance and (v) 12 months accelerated vesting of such named executive officer's equity compensation awards (so such executive becomes vested in the portion of such awards that would have become vested if executive remained employed for 365 days after the termination date). In the event that such named executive officer breaches his confidentiality, non-compete or non-solicitation obligations under his confidentiality and inventions assignment agreement with us, the payments described above, except for the Accrued Obligations, shall cease, and we shall have no further obligations to such named executive officer with respect thereto. Our obligation to pay such named executive officer's COBRA premiums ceases upon such named executive officer's eligibility for comparable coverage provided by a new employer.

Under the terms of the employment agreements with the named executive officers in effect as of December 31, 2017, if we (or any surviving or acquiring corporation) terminate a named executive officer's employment without cause or a named executive officer resigns with good reason within one month prior to or 13 months following the effective date of a change in control (either constituting a "Change of Control Termination"), and in each case such named executive officer signs a general release and written acknowledgment of his continuing obligations under his confidentiality and inventions assignment agreement with us, such named executive officer is entitled to the following: (i) payment of the Accrued Obligations; (ii) depending on the named executive officer and as described in the tables below, the equivalent of 24, 18 or 12 months of such named executive officer's base salary as in effect immediately prior to the termination date, payable on the same basis and at the same time as previously paid and subject to employment tax withholdings and deductions; (iii) depending on the named executive officer and as described in the tables below, a bonus payout equal to two, one and one-half or one times the most recent annual cash bonus paid to the named executive officer; (vi) depending on the named executive officer as described in the tables below, payment of such named executive officer's COBRA premiums for 18 or 12 months to be paid in order for such named executive officer to maintain medical insurance coverage that is substantially equivalent to that which such named executive officer received immediately prior to the termination payment of premiums for his group health insurance; and (v) we will vest 100% of the shares subject to such named executive officer's equity compensation awards and such vesting shall occur upon the occurrence of the change of control in the case of a Change of Control Termination occurring prior to the change in control or upon termination in the case of a Change of Control Termination occurring after the change of control. If a named executive officer breaches his confidentiality, non-compete or non-solicitation obligations under his confidentiality and inventions assignment agreement with us, the payments described above, except for the Accrued Obligations, shall cease, and we shall have no further obligations to such named executive officer with respect thereto. Our obligation to pay such named executive officer's COBRA premiums ceases upon such named executive officer's eligibility for comparable coverage provided by a new employer.

The following tables reflect the estimated potential payments that would be payable to each named executive officer, upon a termination or change in control of us under the terms of his employment agreement in effect as of December 31, 2017. The amounts shown below reflect only the additional payments or benefits that each named executive officer would have received upon the occurrence of the respective triggering events listed below, but they do not include the value of payments or benefits that would have been earned, or any amounts associated with equity awards that would have vested, absent the triggering event. For purposes of calculating the potential payments set forth in the tables below, we have assumed that (i) the date of termination was December 31, 2017 and (ii) the stock price was \$8.11, which was the per share closing price of our common stock on the NASDAQ Global Market on December 31, 2017.

	<b>Termination For Just Cause or Resignation Without Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason (in connection with a Change in Control)</b>
<b>Charles J. Link, Jr., M.D.</b>			
<b>Cash Payments</b>			
Cash Severance	—	\$ 1,694,000 (1)	\$ 2,068,200 (2)
<b>Long-Term Incentives</b>			
RSUs and Stock Options (Unvested and Accelerated)	—	\$ 232,433 (3)	\$ 512,795 (3)
<b>Benefits and Perquisites</b>			
Accrued Obligations	\$ 269,539 (4)	\$ 269,539 (4)	\$ 269,539 (4)
Benefits Continuation	—	\$ 39,308 (5)	\$ 39,308 (5)
<b>Total Payments Upon Termination</b>	<u>\$ 269,539</u>	<u>\$ 2,235,280</u>	<u>\$ 2,889,842</u>

- (1) Amount represents 24 months of his base salary in effect as of January 1, 2017 and an amount equal to one times his most recent annual bonus.
- (2) Amount represents 24 months of his base salary in effect as of January 1, 2017 and an amount equal to two times his most recent annual bonus.
- (3) Amount represents the value of unvested restricted stock units (RSUs) as of December 31, 2017, using the value of our common stock on December 31, 2017. As per the terms of Dr. Link's employment agreement, a portion of the unvested RSUs would accelerate and immediately vest under either a termination without just cause or resignation with good reason or a termination without just cause or resignation with good reason in connection with a change of control.
- (4) Amount represents \$269,539 in accrued vacation.
- (5) Amount represents 24 months of COBRA premiums.

<b>Nicholas N. Vahanian, M.D.</b>	<b>Termination For Just Cause or Resignation Without Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason (in connection with a Change in Control)</b>
<b>Cash Payments</b>			
Cash Severance	—	\$ 1,045,650 (1)	\$ 1,327,375 (2)
<b>Long-Term Incentives</b>			
RSUs and Stock Options (Unvested and Accelerated)	—	\$ 140,822 (3)	\$ 310,954 (3)
<b>Benefits and Perquisites</b>			
Accrued Obligations	\$ 196,919 (4)	\$ 196,919 (4)	\$ 196,919 (4)
Benefits Continuation	—	\$ 29,481 (5)	\$ 34,394 (6)
<b>Total Payments Upon Termination</b>	<b>\$ 196,919</b>	<b>\$ 1,412,872</b>	<b>\$ 1,869,642</b>

(1) Amount represents 18 months of his base salary in effect as of January 1, 2017 and an amount equal to one times his most recent annual bonus.

(2) Amount represents 21 months of his base salary in effect as of January 1, 2017 and an amount equal to 1.75 times his most recent annual bonus.

(3) Amount represents the value of unvested restricted stock units (RSUs) as of December 31, 2017, using the value of our common stock on December 31, 2017. As per the terms of Dr. Vahanian's employment agreement, a portion of the unvested RSUs would accelerate and immediately vest under either a termination without just cause or resignation with good reason or a termination without just cause or resignation with good reason in connection with a change of control.

(4) Amount represents \$196,919 in accrued vacation.

(5) Amount represents 18 months of COBRA premiums.

(6) Amount represents 21 months of COBRA premiums.

	<b>Termination For Just Cause or Resignation Without Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason (in connection with a Change in Control)</b>
<b>John B. Henneman, III</b>			
<b>Cash Payments</b>			
Cash Severance	—	\$ 423,600 (1)	\$ 841,200 (2)
<b>Long-Term Incentives</b>			
RSUs and Stock Options (Unvested and Accelerated)	—	\$ 119,606 (3)	\$ 189,360 (3)
<b>Benefits and Perquisites</b>			
Accrued Obligations	\$ 82,105 (4)	\$ 82,105 (4)	\$ 82,105 (4)
Benefits Continuation	—	\$ 19,654 (5)	\$ 29,481 (6)
<b>Total Payments Upon Termination</b>	<b>\$ 82,105</b>	<b>\$ 644,965</b>	<b>\$ 1,142,146</b>

(1) Amount represents 12 months of his base salary in effect as of January 1, 2017.

(2) Amount represents 18 months of his base salary in effect as of January 1, 2017 and an amount equal to 1.5 times his most recent annual bonus.

(3) Amount represents the value of unvested restricted stock units (RSUs) as of December 31, 2017, using the value of our common stock on December 31, 2017. As per the terms of Mr. Henneman's employment agreement, a portion of the unvested RSUs would accelerate and immediately vest under either a termination without just cause or resignation with good reason or a termination without just cause or resignation with good reason in connection with a change of control.

(4) Amount represents \$82,105 in accrued vacation.

(5) Amount represents 12 months of COBRA premiums.

(6) Amount represents 18 months of COBRA premiums.

<b>Eugene P. Kennedy, M.D.</b>	<b>Termination For Just Cause or Resignation Without Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason (in connection with a Change in Control)</b>
<b>Cash Payments</b>			
Cash Severance	—	\$ 212,500 (1)	\$ 578,000 (2)
<b>Long-Term Incentives</b>			
RSUs and Stock Options (Unvested and Accelerated)	—	\$ 21,127 (3)	\$ 51,207 (3)
<b>Benefits and Perquisites</b>			
Accrued Obligations	\$ 37,596 (4)	\$ 37,596 (4)	\$ 37,596 (4)
Benefits Continuation	—	\$ 9,827 (5)	\$ 19,654 (6)
<b>Total Payments Upon Termination</b>	<b>\$ 37,596</b>	<b>\$ 281,050</b>	<b>\$ 686,457</b>

(1) Amount represents six months of his base salary then in effect.

(2) Amount represents 12 months of his base salary then in effect and an amount equal to 1 times his most recent annual bonus.

(3) Amount represents the value of unvested restricted stock units (RSUs) as of December 31, 2017, using the value of our common stock on December 31, 2017. As per the terms of Dr. Kennedy's employment agreement, a portion of the unvested RSUs would accelerate and immediately vest under either a termination without just cause or resignation with good reason or a termination without just cause or resignation with good reason in connection with a change of control.

(4) Amount represents \$37,596 in accrued vacation.

(5) Amount represents six months of COBRA premiums.

(6) Amount represents 12 months of COBRA premiums.

	<b>Termination For Just Cause or Resignation Without Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason</b>	<b>Termination Without Just Cause or Resignation With Good Reason (in connection with a Change in Control)</b>
<b>Brian Wiley</b>			
<b>Cash Payments</b>			
Cash Severance	—	\$ 185,350 (1)	\$ 475,800 (2)
<b>Long-Term Incentives</b>			
RSUs and Stock Options (Unvested and Accelerated)	—	\$ 39,504 (3)	\$ 80,386 (3)
<b>Benefits and Perquisites</b>			
Accrued Obligations	\$ 71,852 (4)	\$ 71,852 (4)	\$ 71,852 (4)
Benefits Continuation	—	\$ 9,827 (5)	\$ 19,654 (6)
<b>Total Payments Upon Termination</b>	<b>\$ 71,852</b>	<b>\$ 306,533</b>	<b>\$ 647,692</b>

(1) Amount represents six months of his base salary in effect as of January 1, 2017.

(2) Amount represents 12 months of his base salary in effect as of January 1, 2017 and an amount equal to 1 times his most recent annual bonus.

(3) Amount represents the value of unvested restricted stock units (RSUs) as of December 31, 2017, using the value of our common stock on December 31, 2017. As per the terms of Mr. Wiley's employment agreement, a portion of the unvested RSUs would accelerate and immediately vest under either a termination without just cause or resignation with good reason or a termination without just cause or resignation with good reason in connection with a change of control.

(4) Amount represents \$71,852 in accrued vacation.

(5) Amount represents six months of COBRA premiums.

(6) Amount represents 12 months of COBRA premiums.

## CEO Pay Ratio

Pursuant to Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are required to disclose the ratio of our principal executive officer's annual total compensation to the annual total compensation of our median employee.

During fiscal 2017, the principal executive officer of NewLink Genetics Corporation was our Chief Executive Officer, Charles J. Link, Jr., M.D. For 2017, the annual total compensation for Dr. Link, as reported in the Summary Compensation Table, was \$3,391,817. The annual total compensation for our median employee (identified as disclosed below) was \$117,468, resulting in a pay ratio of approximately 29:1.

In accordance with Item 402(u) of Regulation S-K, we identified the median employee as of December 31, 2017 (the "determination date") by (i) aggregating for each applicable employee (A) annual base salary for permanent salaried employees, or hourly rate multiplied by expected annual work schedule, for hourly employees, (B) the target bonus for 2017, and (C) the estimated grant date fair value of any equity awards granted during 2017, and (ii) ranking this compensation measure for our employees from lowest to highest. This calculation was performed for all employees, excluding Dr. Link.

The pay ratio reported above is a reasonable estimate calculated in a manner consistent with SEC rules based on our internal records and the methodology described above. The SEC rules for identifying the median-compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. Therefore, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We have not been a party since January 1, 2013 to any transactions, in which the amount involved in the transaction exceeds \$120,000, and in which any of our directors, executive officers or to our knowledge, beneficial owners of more than 5% of our capital stock had or will have a direct or indirect material interest, other than compensation, termination and change in control arrangements, which are described in more detail in the Compensation Discussion and Analysis beginning on page 23 of this proxy statement.

### Policies and Procedures for Related Person Transactions

Our Board has adopted written policies and procedures for the review of any transaction, arrangement or relationship in which we are a participant, the amount involved exceeds \$120,000 and one of our executive officers, directors, director nominees or 5% stockholders (or their immediate family members), each of whom we refer to as a "related person," has a direct or indirect material interest.

If a related person proposes to enter into such a transaction, arrangement or relationship, which we refer to as a "related person transaction," the related person must report the proposed related person transaction to our Audit Committee. The policy calls for the proposed related person transaction to be reviewed and, if deemed appropriate, approved by our Audit Committee. Whenever practicable, the reporting, review and approval will occur prior to entry into the transaction. If advance review and approval is not practicable, our Audit Committee will review, and, in its discretion, may ratify the related person transaction. Any related person transactions that are ongoing in nature will be reviewed annually.

A related person transaction reviewed under the policy will be considered approved or ratified if it is authorized by our Audit Committee after full disclosure of the related person's interest in the transaction. As appropriate for the circumstances, our Audit Committee will review and consider:

- the related person's interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person's interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of our business;

- whether the terms of the transaction are no less favorable to us than terms that could have been reached with an unaffiliated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

Our Audit Committee may approve or ratify the transaction only if the Audit Committee determines that, under all of the circumstances, the transaction is in, or is not inconsistent, with our best interests. Our Audit Committee may impose any conditions on the related person transaction that it deems appropriate.

In addition to the transactions that are excluded by the instructions to the SEC's related person transaction disclosure rule, our Board has determined that the following transactions do not create a material direct or indirect interest on behalf of related persons and, therefore, are not related person transactions for purposes of this policy:

- interests arising solely from the related person's position as an executive officer of another entity (whether or not the person is also a director of such entity), that is a participant in the transaction, where (a) the related person and all other related persons own in the aggregate less than a 10% equity interest in such entity, (b) the related person and his or her immediate family members are not involved in the negotiation of the terms of the transaction and do not receive any special benefits as a result of the transaction or (c) the amount involved in the transaction equals less than the greater of \$200,000 or 5% of the annual consolidated gross revenues of our receiving payment under the transaction; and
- a transaction that is specifically contemplated by provisions of our certificate of incorporation or bylaws.

The policy provides that transactions involving compensation of executive officers shall be reviewed and approved by our Compensation Committee in the manner specified in its charter.

### **Limitation of Liability and Indemnification**

Our amended and restated bylaws require us to indemnify our directors to the fullest extent not prohibited by law and permit us to indemnify our officers, employees and other agents as set forth under Delaware law. We will indemnify any such person in connection with a proceeding initiated by such person only if such indemnification is expressly required by law, the proceeding was authorized by our Board, the indemnification is provided by us, in our sole discretion, pursuant to the Delaware General Corporation Law or other applicable law or is otherwise expressly required by our amended and restated bylaws. Section 145 of the Delaware General Corporation Law permits indemnification of officers, directors and other agents under specified circumstances and subject to specified limitations. Delaware law also permits a corporation not to hold its directors personally liable for monetary damages for breach of their fiduciary duties as directors, except for liability for:

- breach of their duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in this capacity. We have obtained directors' and officers' liability insurance to cover certain liabilities described above.

We have entered into indemnity agreements with each of our directors that require us to indemnify such persons against any and all expenses, including attorneys' fees, witness fees, judgments, fines, settlements and other amounts incurred, including expenses of a derivative action, in connection with any action, suit or proceeding or alternative dispute resolution mechanism, inquiry hearing or investigation, whether threatened, pending or completed, to which any such person may be made a party by reason of the fact that such person is or was one of our directors, officers or employees, provided that such person's conduct did not constitute a breach of his or her duty of loyalty to us or our stockholders, and was not an act or omission not in good faith or which involved intentional misconduct or a knowing violation of laws. The indemnity agreements also set forth procedures that will apply in the event of a claim for indemnification thereunder. We believe that these provisions and agreements are necessary to attract and retain qualified persons as our directors.

On or about May 12, 2016, Trevor Abramson filed a putative securities class action lawsuit in the United States District Court for the Southern District of New York (the “Court”) captioned *Abramson v. NewLink Genetics Corp., et al.*, Case 1:16-cv-3545. Subsequently, the Court appointed Michael and Kelly Nguyen as lead plaintiffs and approved their selection of Kahn, Swick & Foti, LLC as lead counsel in the Securities Action. On October 31, 2016, the lead plaintiffs filed an amended complaint asserting claims under the federal securities laws against the Company, the Company’s Chief Executive Officer Charles J. Link, Jr., and the Company’s Chief Medical Officer and President Nicholas Vahanian, or collectively, the Defendants. On March 29, 2018, the Court dismissed the amended complaint for failure to state a claim, without prejudice, and directed the lead plaintiffs to file any amended complaint attempting to remedy the defects in their claims by May 4, 2018. The Company is indemnifying Dr. Link and Dr. Vahanian in the action. Additional detail concerning this matter is included in our Company’s previous filings with the SEC.

On or about April 26, 2017, Ronald Morrow filed a shareholder derivative lawsuit on behalf of the Company in the Court, against Drs. Link and Vahanian, and Company directors Thomas A. Raffin, Joseph Saluri, Ernest J. Talarico, III, Paul R. Edick, Paolo Pucci, and Lota S. Zoth, captioned *Morrow v. Link., et al.*, Case 1:17-cv-03039, or the Morrow Action. On May 19, 2017, the plaintiff dismissed this action without prejudice. Also on May 19, 2017, the plaintiffs’ counsel filed a new shareholder derivative complaint that was substantively identical to the Morrow complaint, except that the plaintiff is Rickey Ely. The latter action is captioned *Ely v. Link, et al.*, Case 17-cv-3799, or the Ely Action. By agreement of the parties and order dated June 26, 2017, the Court temporarily stayed the Ely Action until the securities class action described above is dismissed or otherwise resolved. Additional detail concerning this matter is included in our Company’s previous filings with the SEC.

At present, other than the previously mentioned matters, there is no pending litigation or proceeding involving any of our directors or officers for which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted by directors, executive officers or persons controlling us, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

## OTHER INFORMATION

### Stockholder Communications with Our Board of Directors

Our Board has adopted a formal process by which stockholders may communicate with our Board or any of its directors. This information is available on our website at [www.newlinkgenetics.com](http://www.newlinkgenetics.com) in the “Investors & Media - Corporate Governance - Contact the Board” section.

### Stockholder Proposals and Nominations of Directors

Stockholders who wish to submit a proposal for our 2019 Annual Meeting of Stockholders must submit any such proposal by December 10, 2018, to Corporate Secretary, NewLink Genetics Corporation, 2503 South Loop Drive, Ames, Iowa 50010. If you wish to submit a director nomination or a proposal at next year’s annual meeting that is not to be included in next year’s proxy materials, you must do so by no later than the close of business on February 22, 2019, nor earlier than the close of business on January 23, 2019, and you must comply with the requirements of Section 5(b) in the our Bylaws, including submitting written notice to our Corporate Secretary as set forth above.

The Company has not yet selected the date of the annual meeting of stockholders for next year, but is considering holding the meeting in May 2019. If the date of the 2019 annual meeting is advanced or delayed more than 30 days before or after the anniversary of the date of this Annual Meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day prior to such 2019 annual meeting and not later than the close of business on the later of the 90th day prior to such 2019 annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. 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, a representation that the nominating stockholder is a beneficial or record holder of our common stock and such other information as is required under Section 5(b) of our Bylaws. 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.

### Householding of Proxy Materials

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for Notices of Internet Availability of Proxy Materials or other Annual Meeting materials with respect to two or more stockholders sharing the same address by delivering a single Notice of Internet Availability of Proxy Materials or other Annual Meeting materials addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are NewLink Genetics Corporation stockholders will be “householding” our proxy materials. A single Notice of Internet Availability of Proxy Materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate Notice of Internet Availability of Proxy Materials, please notify your broker or NewLink Genetics Corporation. Direct your written request to Corporate Secretary, NewLink Genetics Corporation, 2503 South Loop Drive, Ames, IA 50010 or contact our Corporate Secretary at (515) 598-2561. We undertake to promptly deliver, upon written or oral request, a separate copy of our Notice of Internet Availability of Proxy Materials to stockholders at a shared address to which a single copy of such documents was delivered. Stockholders who currently receive multiple copies of the Notices of Internet Availability of Proxy Materials at their addresses and would like to request “householding” of their communications should contact their brokers.

## OTHER MATTERS

Our Board 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 such matters in accordance with their best judgment.

By Order of the Board of Directors

/s/ John B. Henneman, III

John B. Henneman, III  
Secretary

April 9, 2018

**A copy of our Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2017 is available without charge upon written request to: Corporate Secretary, NewLink Genetics Corporation, 2503 South Loop Drive, Suite 5100, Ames, IA 50010.**



▼ IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. ▼

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## Proxy — NewLink Genetics Corporation

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### Notice of 2018 Annual Meeting of Stockholders

#### Proxy Solicited by Board of Directors for Annual Meeting — May 23, 2018

The undersigned hereby appoints John B. Henneman, III and Carl Langren, or either of them acting alone, with the full power of substitution, as proxies to represent and vote, as designated below, all shares of capital stock of NewLink Genetics Corporation registered in the name of the undersigned at the Annual Meeting of Stockholders to be held at the offices of NewLink Genetics Corporation, 2503 South Loop Drive, Suite 5100, Ames, IA 50010, on May 23, 2018, at 9:00 a.m. local time, and at all adjournments thereof. The undersigned hereby revokes all proxies previously granted with respect to such meeting.

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED AS DIRECTED OR, IF NO DIRECTION IS GIVEN FOR A PARTICULAR PROPOSAL OR NOMINEE, THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS WITH RESPECT TO SUCH PROPOSAL OR NOMINEE.**

The Board of Directors recommends that you vote "FOR" ALL nominees, "FOR" Proposals 2 and 4 and "1 YEAR" on Proposal 3.

(Items to be voted appear on reverse side.)