

iBio, Inc.
Form DEF 14A
November 10, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

SCHEDULE 14A

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

(Amendment No. __)

Filed by the Registrant **R**

Filed by a Party other than the Registrant **£**

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iBio, Inc.

(Name of Registrant as Specified in Its Charter)

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November 10, 2010

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of iBio, Inc, a Delaware corporation (iBio or the Company). The meeting will be held on Thursday, December 9, 2010, at 3:00 p.m. local time at the Company s headquarters, located at 9 Innovation Way, Suite 100, Newark, Delaware.

At the Annual Meeting, you will be asked to elect two Class II directors for a three year term, to ratify the appointment of independent auditors of the Company for the fiscal year ending June 30, 2011 and to approve an amendment to our certificate of incorporation to increase our authorized number of shares of common stock from 50,000,000 to 100,000,000. These matters are described in detail in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement. A proxy is included along with the Proxy Statement. These materials are being sent to stockholders on or about November 10, 2010.

Your vote is important. Whether or not you plan to attend the annual meeting, I urge you to take a moment to vote on the items in this year s proxy statement. Voting takes only a few minutes, and it will ensure that your shares are represented at the meeting.

Sincerely,

/s/ Robert B. Kay

Robert B. Kay

Executive Chairman and Chief Executive Officer

IBIO, INC.
9 Innovation Way, Suite 100
Newark, Delaware 19711

PROXY STATEMENT

FOR ANNUAL MEETING OF STOCKHOLDERS

QUESTIONS AND ANSWERS ABOUT THIS PROXY STATEMENT AND VOTING

Why am I receiving this proxy statement?

We have made this proxy statement available to you because the Board of Directors of iBio is soliciting your proxy to vote at the 2010 Annual Meeting of Stockholders. You are invited to attend the annual meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may vote by proxy by completing and returning the enclosed proxy card.

Who can vote at the annual meeting?

Only stockholders of record at the close of business on November 4, 2010, the record date for the annual meeting, will be entitled to vote at the annual meeting. On this record date, there were 31,305,155 shares of common stock, \$0.001 par value per share, outstanding and entitled to vote. The presence, in person or by proxy, of a majority of those shares will constitute a quorum at the meeting.

Stockholder of Record: Shares Registered in Your Name

If on November 4, 2010 your shares were registered directly in your name with our transfer agent, Continental Stock Transfer and Trust Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to vote by returning the enclosed proxy card to ensure your vote is counted.

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

If on November 4, 2010 your shares were held in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered 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 annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are three matters scheduled for a vote:

- (1) Election of two Class II directors;
- (2)

Ratification
of J.H. Cohn
LLP as our
independent
registered
public
accounting
firm for the
fiscal year
ending June
30, 2011; and

- (3) Approval an
amendment to
our certificate
of
incorporation
to increase
the number of
authorized
shares of our
common
stock from
50,000,000 to
100,000,000
shares.

How do I vote?

You may either vote FOR both the nominees for director or you may abstain from voting for any nominee you specify. For each of the other matters to be voted on, you may vote FOR or Against or you may abstain from voting. The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name

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

Beneficial Owner: Shares Registered in the Name of a 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 this proxy statement from that organization rather than from iBio. Simply follow the voting instructions provided by that organization. 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.

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 November 4, 2010.

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

If you properly submit your proxy and do not revoke it, the proxy holders will vote your shares in accordance with your instructions. If your properly completed proxy gives no instructions, the proxy holders will vote your shares FOR the election of each of the two Class II directors, FOR the selection of J.H. Cohn LLP as our independent registered public accounting firm, FOR the amendment to our certificate of incorporation, and in their discretion on any other matters that properly come before the annual meeting.

If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

The Company will bear the cost of soliciting proxies. Such cost will include charges by brokers and other custodians, nominees and fiduciaries for forwarding proxies and proxy materials to the beneficial owners of our common stock. Solicitation may also be made personally or by telephone by the Company's directors, officers and regular employees without additional compensation.

What does it mean if I receive more than one notice?

If you receive more than one notice, your shares are registered in more than one name or are registered in different accounts. You should submit a proxy for each one to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the annual meeting. You may revoke your proxy in any one of three ways:

You may
submit
another
properly
completed
proxy with
a later
date.

You may send a timely written notice that you are revoking your proxy to our Secretary at 9 Innovation Way, Suite 100, Newark, Delaware, 19711.

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

When are stockholder proposals due for next year's annual meeting?

Rules of the Securities and Exchange Commission require that we receive any proposal by our stockholders for inclusion in our proxy materials for the 2011 annual meeting of stockholders no later than by July 11, 2011. Proposals must be submitted in writing to our Secretary at 9 Innovation Way, Suite 100, Newark, Delaware, 19711, and you must comply with other requirements of Rule 14a-8 under the Securities and Exchange Act of 1934, as amended (the Exchange Act). However, if the 2011 annual meeting date changes by more than 30 days from the date of the 2010 annual meeting date, then the proposal must be submitted a reasonable time before we begin to print and send our proxy materials for the 2011 annual meeting.

In addition, our Amended and Restated Bylaws have an advance notice procedure for stockholders to bring business before an annual meeting of stockholders. The advance notice procedure requires that a stockholder interested in presenting a proposal for action at the 2011 annual meeting of stockholders must deliver a written notice of the proposal, together with specific information relating to such stockholder's proposal, nominee, stock ownership and identity, to our corporate secretary no later than the close of business on September 10, 2011 and no earlier than the close of business on August 11, 2011. You are advised to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. You must comply with these bylaws requirements in connection with a stockholder proposal or director nomination outside the Rule 14a- 8 context.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count FOR and (with respect to proposals other than the election of directors) Against votes, abstentions and broker non-votes. Abstentions and broker non-votes will not have an effect on the outcome of Proposal 1, but they will have the same effect as a vote Against Proposals 2 and 3. Abstentions and broker non-votes will be counted toward the quorum requirement.

If your shares are held by your broker as your nominee (that is, in street name), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to discretionary items, but not with respect to non-discretionary items. On non-discretionary items for which you do not give your broker instructions, the shares will be treated as broker non-votes.

What are broker non-votes?

Broker non-votes occur when a beneficial owner of shares held in street name does not give instructions to the broker or nominee holding the shares as to how to vote. Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee cannot vote the shares with respect to such matters because the nominee does not have discretionary voting power.

How many votes are needed to approve each proposal?

For the approval of Proposal 1 (the election of directors), the two nominees receiving the most FOR votes from the holders of shares present in person or represented by proxy and entitled to vote on the election of directors will be elected, regardless of whether that number represents a

majority of the votes cast. Abstentions and broker non-votes will have no effect on the outcome of the election of directors.

To be approved, Proposals 2 and 3 (ratifying the selection of J.H. Cohn LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2011 and approving the amendment of our certificate of incorporation to increase the number of authorized shares of our common stock from 50,000,000 to 100,000,000 shares) must receive FOR votes from the holders of a majority of shares present at the annual meeting, either in person or by proxy. Abstentions and broker non-votes will have the same effect as a vote against the proposal, because passage of Proposals 2 and 3 requires the affirmative vote of a majority of the votes present at the meeting.

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 on the record date are present at the meeting in person or represented by proxy. On the record date, there were 31,305,155 shares of common stock outstanding and entitled to vote.

Your shares will be counted towards the quorum only if you submit a valid proxy vote or vote 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 the shares present in person or represented by proxy at the meeting 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. Final voting results will be published in a current report on Form 8-K within four business days of the annual meeting.

PROPOSAL 1

ELECTION OF DIRECTORS

The Company's Board of Directors is currently composed of seven (7) directors divided into three classes of directors serving staggered 3-year terms.

The members of Class II, whose term of office expires in 2010, are Mr. Glenn Chang and Philip K. Russell, M.D.

The members of Class III, whose term of office expires in 2011, are Mr. John D. McKey, Jr. and Pamela Bassett, D.M.D.

The members of Class I, whose terms of office expire in 2012, are Mr. Robert B. Kay, General James T. Hill and Arthur Y. Elliott, Ph.D.

The stockholders will consider and vote upon the election of Mr. Glenn Chang and Philip K. Russell, M.D. to serve their respective terms.

The two candidates receiving the highest number of affirmative votes by the holders of shares entitled to be voted will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the two nominees. If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will 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.

NOMINEES AND CONTINUING DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and ages (as of November 4, 2010) of our nominees for director and continuing directors and our executive officers:

Name	Age	Position Held With Us
Robert B. Kay	70	Executive Chairman and Chief Executive Officer
Robert L. Erwin	57	President
Frederick Larcombe	54	Chief Financial Officer
Vidadi Yusibov, Ph.D.	49	Chief Scientific Officer
General James T. Hill (ret.)	64	Director
Glenn Chang	62	Director
John D. McKey, Jr.	65	Director
Philip K. Russell, M.D.	78	Director
Pamela Bassett, D.M.D.	58	Director
Arthur Y. Elliott, Ph.D.	74	Director

The following are brief biographies of each nominee for Director:

Glenn Chang has been a director since we became a publicly traded company in August 2008. Since 1999 he has been Director, Executive Vice President and Chief Financial Officer of the First American International Bank, Brooklyn, N.Y. Prior to the founding of the Bank he spent almost 20 years at Citibank as Vice President. Mr. Chang is a Certified Public Accountant.

Philip K. Russell, M.D. has been a director since March 2010. Major General (ret.) Russell served in the U.S. Army Medical Corps from 1959 to 1990, pursuing a career in infectious disease and tropical medicine research. Following his military service, Dr. Russell joined the faculty of Johns Hopkins University's School of Hygiene and Public Health and worked closely with the World Health Organization as special advisor to the Children's Vaccine Initiative. He was founding board member of the International AIDS Vaccine Initiative, and is an advisor to the Bill and Melinda Gates Foundation. He has served on numerous advisory boards of national and international agencies, including the Centers for Disease Control, National Institutes of Health, and the Institute of Medicine. He is the past Chairman of the Albert B. Sabin Vaccine Institute.

**THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF EACH NAMED NOMINEE.**

The following are brief biographies of each other continuing Director and Executive Officer:

Robert B. Kay has been a director since we became a publicly traded company in August 2008. Mr. Kay was a founder and senior partner of the New York law firm of Kay Collyer & Boose LLP, with a particular focus on mergers and acquisitions and joint ventures. He is also a principal and Chairman of Seaway Biltmore, Inc., a hotel ownership and management company. Mr. Kay received his B.A. from Cornell University's College of Arts & Sciences and his J.D. from New York University Law School.

Robert L. Erwin has been our President since we became a publicly traded company in August 2008. Mr. Erwin led Large Scale Biology Corporation from its founding in 1988 through 2003, including a successful initial public offering in 2000, and continued as non-executive Chairman until 2006. He served as Chairman of Icon Genetics AG from 1999 until its acquisition by a subsidiary of Bayer AG in 2006. Mr. Erwin recently served as Managing Director of Bio-Strategic Directors LLC, providing consulting services to the life sciences industry. He is currently Chairman of Novici Biotech, a private biotechnology company and a Director of Resolve Therapeutics. Mr. Erwin's non-profit work focuses on applying scientific advances to clinical medicine, especially in the field of oncology. He is co-founder, President and Director of the Marti Nelson Cancer Foundation, Oncology. Mr. Erwin received his BS degree with Honors in Zoology and an MS degree in Genetics from Louisiana State University.

Frederick Larcombe has been our Chief Financial Officer since September 2009. From early 2008 to the present, Mr. Larcombe, as a principal with Crimson Partners, a group of seasoned financial professionals, has served clients in the life sciences in the areas of pharmaceutical development and women's health. From 2005 to 2007, he was simultaneously the Chief Financial Officer of Xenomics Inc., a publicly-held developer of DNA-based diagnostic technologies, and FermaVir Pharmaceuticals, Inc., a publicly-held pharmaceutical development company. From 2004 to 2005, he was a consultant with Kroll Zolfo Cooper, a professional services firm providing interim management and turn-around services, and from 2000 to 2004, he was Chief Financial Officer of MicroDose Therapeutics, a privately-owned drug delivery company focused upon pulmonary and novel oral dosage delivery technologies. Prior to 2000, Mr. Larcombe held various positions with ProTeam.com, Cambrex, and PriceWaterhouseCoopers.

Vidadi Yusibov, Ph.D. has been our Chief Scientific Officer since February 2010. He is the Executive Director of the Center for Molecular Biology of Fraunhofer USA, Inc., or FhCMB, a position he continues to hold. Prior to joining FhCMB, Dr. Yusibov served as Assistant Professor in the Department of Microbiology and Immunology at Thomas Jefferson University in Philadelphia, PA. Dr. Yusibov received his Ph.D. in molecular biology from the Academy of Sciences in Moscow, Russia and conducted post-doctoral research at Purdue University. He is currently a Senior Research Fellow at the Delaware Biotechnology Institute.

General James T. Hill has been a director since we became a publicly traded company in August 2008. At the time of his retirement from active duty, General Hill was the Commander of the 4-Star United States Southern Command, reporting directly to the President and Secretary of Defense. As such he led all U.S. military forces and operations in Central America, South America and the Caribbean, worked directly with U.S. Ambassadors, foreign heads of state, key Washington decision-makers, foreign senior military and civilian leaders, developing and executing United States policy. His responsibilities included management, development and execution of plans and policy within the organization including programming, communications, manpower, operations, logistics and intelligence.

John D. McKey, Jr. has been a director since we became a publicly traded company in August 2008. Since 2003, Mr. McKey has served as of counsel at McCarthy, Summers, Bobko, Wood, Sawyer & Perry, P.A. in Stuart, Florida, and previously was a partner from 1987 through 2003. From 1977 to 1987 Mr. McKey was a partner at Gunster Yoakley in Palm Beach, Florida. Mr. McKey received his B.B.A. at the University of Georgia and his J.D. from the University of Florida College of Law.

Pamela Bassett, M.D. has been a director since April 2010. Dr. Bassett is Managing Director of Life Sciences Research at Cantor Fitzgerald & Company, a leading global financial services provider to the institutional equity and fixed-income markets. Prior to joining Cantor Fitzgerald in 2005, Dr. Bassett was the founder and President of BioTrend Corporation, a strategic advisory company to pharmaceutical and biotechnology companies. She was formerly Director of Business Development for Enzon, and was the founder and President of Stat Systems, Inc., a company that developed integrated clinical and administrative software used in hospitals nationwide, ultimately licensed to Siemens AG. Dr. Bassett received her M.B.A. from Wharton Graduate School, University of Pennsylvania, completed a residency in Anesthesiology at the Medical College of Pennsylvania and Hospital, and received her D.M.D. from Tufts University School of Dental Medicine and a B.A. in Biology from Oakland University.

Arthur Y. Elliott, Ph.D. has been a director since October 2010. Dr. Elliott spent 16 years with Merck & Co., serving ultimately as Executive Director of Biological Operations, Merck Manufacturing Division, responsible for the bulk manufacture, testing, release and registration of all biological products sold. Dr. Elliott also directed the manufacturing, process development, and other operations of North American Vaccine for six years, and most recently served as consultant to Aventis (Sanofi Pasteur) Pharmaceutical Corporation in its design and implementation of new, highly automated manufacturing facilities for influenza vaccines. Dr. Elliott has served with the United States Department of Health and Human Services in the Avian Influenza Pandemic Preparedness Program in Washington, D.C. as Senior Program Manager for the Antigen Sparing Project since 2006. The program involves the cooperation of three pharmaceutical companies and four government groups (NIH, CDC, FDA, and HHS). While at Merck, he worked closely with both Merck Research Laboratories and the Merck Vaccine Division to forecast the timely transfer of technology for new and improved products from the research laboratories through the manufacturing area and into the marketing division for sales introductions. He has served as a biological consultant to the World Health Organization, National Institutes of Health, and The Bill & Melinda Gates Foundation. Dr. Elliott holds a Ph.D. in Virology from Purdue University, and an M.S. in Microbiology and a B.A. in Biology from North Texas State University. He serves as a member of the American Association for Advancement of Science, American Society for Microbiology, and American Tissue Culture Association.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Board Committees and Independence

Our board of directors has the authority to appoint committees to perform certain management and administrative functions. Our board has constituted an audit committee comprised solely of Mr. Chang, whom our board has determined to be an audit committee financial expert.

Our board of directors has determined that Messrs. Hill, Chang, McKey, Russell, Bassett and Elliott are independent directors as such term is defined in Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

Corporate Governance

In response to recent federal legislation, we will:

adopt a
charter for
the audit
committee;
and

adopt a
code of
business
conduct and
ethics
applicable
to our
directors,
officers and
employees.

Board Leadership Structure and Role in Risk Oversight

Our Chief Executive Officer also serves as Executive Chairman on our board. We do not have a lead independent director. Our Executive Chairman, when present, presides over all meetings of our board. We believe this leadership structure is appropriate for our Company at this time because

(1) of our size, (2) of the size of our board, (3) our Chief Executive Officer is responsible for our day-to-day operation and implementing our strategy, and (4) discussion of developments in our business and financial condition and results of operations are important parts of the discussion at board meetings and it makes sense for our Chief Executive Officer to chair those discussions.

Our board oversees our risk management. This oversight is administered primarily through the following:

The board's review and approval of our business plans (prepared and presented to the board by the Chief Executive Officer and other management), including the projected opportunities and challenges facing our business;

At least quarterly review of our business developments, business plan implementation and financial results;

Our Audit Committee's oversight of our internal controls over financial reporting and its discussions with management and the independent accountants regarding the quality and adequacy of our internal controls and financial reporting; and

Our board's review and

recommendations regarding our executive officer compensation and its relationship to our business plans.

Meetings of the Board of Directors and Audit Committee

During the fiscal year ended June 30, 2010, the Board held two meetings in person or by telephone and acted by unanimous written consent on two occasions. Between meetings, members of the Board are provided with information regarding our operations and are consulted on an informal basis with respect to pending business. Each director attended at least 75% of the total number of meetings of the Board, except for Mr. Chang, who did not attend one of the meetings.

Although we do not have a policy with regard to Board members' attendance at our Annual Meetings of Stockholders, all of the directors are encouraged to attend such meetings.

During the fiscal year ended June 30, 2010, the Audit Committee held five meetings in person or by telephone. The sole member of the Audit Committee attended all the meetings of the Audit Committee.

Nominating Committee Functions

We are not required to have a nominating committee because our common stock is not traded on a national securities exchange. Because our Board believes that it is more appropriate for all of our directors to be involved in the process of nominating persons for election as directors, our Board does not have a nominating committee. Accordingly, our Board as a whole performs the functions of a nominating committee and is responsible for reviewing the requisite skills and characteristics of our directors. Our Board will consider candidates for nomination as a director recommended by stockholders, current directors, officers, third-party search firms and other sources. Our Board considers stockholder recommendations for candidates in the same manner as those received from others.

For new candidates, our Board generally polls the directors and members of management for their recommendations. Our Board may engage a third-party search firm to identify candidates in those situations where particular qualifications are required or where existing contacts are not sufficient to identify an appropriate candidate. Our Board reviews the qualifications, experience, and background of all candidates. Final candidates are typically interviewed by both Board members and executive management.

Our policy is that members of the Board should possess the highest personal and professional ethics, integrity and values, and be committed to serving the long-term interests of the Company's stockholders. In identifying nominees, the Board also takes into consideration all other factors it considers appropriate with the goal of having a Board with backgrounds, skills and experience in business, finance and other areas relevant to the Company's operations. The Board does not have a policy for considering diversity in identifying director nominees, but generally seeks to have a Board

consisting of members that have relevant industry background, experience serving on the boards of large companies (whether public or private) or unique perspective from managing companies in other industries with qualities similar to our business, or any combination of the foregoing attributes.

Our Board will consider stockholder suggestions for nominees for directorship. In order for our Board to consider a stockholder nominee, the stockholder must submit a detailed resume of the candidate and an explanation of the reasons why the stockholder believes the candidate is qualified for service on our Board. The stockholder must also provide such other information about the candidate that would be required by the SEC rules to be included in a proxy statement. In addition, the stockholder must include the consent of the candidate and describe any relationships, arrangements, or undertakings between the stockholder and the candidate regarding the nomination or otherwise. The stockholder must submit proof of Company stockholdings. All communications should be submitted in writing to iBio, Inc., Attention: Corporate Secretary, 9 Innovation Way, Suite 100, Newark, Delaware 19711. Recommendations received after 120 days prior to the date of mailing of this year's proxy (or July 10, 2011) will likely not be considered timely for consideration at next year's Annual Meeting of Stockholders.

Compensation Committee Functions

We are not required to have a compensation committee because our common stock is not traded on a national securities exchange. Because our Board believes that it is more appropriate for all of our directors to be involved in the process determining appropriate compensation policy, our Board does not have a compensation committee. Accordingly, our Board as a whole performs the functions of a compensation committee.

In performing these functions, the Board's responsibilities include the following:

- reviewing and approving corporate goals and objectives relevant to our Chief Executive Officer's compensation, and evaluating our Chief Executive Officer's performance in light of those goals and objectives;

- establishing and reviewing the compensation, including equity awards, bonuses, and all other forms

of
compensation
for our
executive
officers and
such other
officers as
directed by our
Board;

reviewing
general
compensation
policies,
programs, and
guidelines for
our employees
and the criteria
by which
bonuses to our
employees are
determined;

reviewing and
approving all
employment,
severance, and
change in
control
arrangements
with our
executive
officers; and

acting as
administrator
of our equity
award plans.

Mr. Kay, our Chief Executive Officer, annually reviews the performance of each executive officer and other members of senior management (other than the Chief Executive Officer, whose performance is reviewed by the Board) and makes recommendations regarding the base salary and other compensation payable to these officers. The Board considers the recommendations of Mr. Kay in determining cash compensation and equity awards, if any, for the executive officers and other members of senior management. The Board generally exercises its discretion in modifying any recommended adjustments or awards to executives. The Board has the authority to retain consultants and advisors as it may deem appropriate in its sole discretion, and has the sole authority to approve related fees and other retention terms.

Stockholder Communications with the Board of Directors

Interested parties may communicate with the Board or specific members of the Board, including the independent directors and the members of the audit committee, by submitting a letter addressed to the Board of Directors of iBio,

Inc. c/o any specified individual director or directors at the address listed herein. Any such letters are then forwarded to the indicated directors.

Available information about iBio

Previously filed SEC current reports, quarterly reports, annual reports, and reports under Section 16(a) of the Securities Exchange Act of 1934 are available on our website at www.ibioinc.com and in print for any stockholder upon written request to our Secretary.

EXECUTIVE COMPENSATION**Summary Compensation Table**

The table below summarizes the total compensation paid or earned by Chief Executive Officer and our two other most highly compensated executive officers who were serving as executive officers at the end of the last completed fiscal year.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Robert B. Kay, Executive Chairman and CEO	2010	200,000	\$ -0-	\$ -0-	28,466	\$ -0-	\$ -0-	\$ 228,466
	2009	200,000	-0-	-0-	2,419	-0-	-0-	202,419
Robert Erwin, President	2010	200,000	-0-	-0-	28,466	-0-	-0-	228,466
	2009	200,000	-0-	-0-	2,419	-0-	-0-	202,419
Frederick Larcombe, Chief Financial Officer	2010	120,282 (2)	-0-	-0-	-0-	-0-	-0-	120,282
	2009	-0-	-0-	-0-	-0-	-0-	-0-	-0-

(1) The amounts in this column reflect the dollar amount recognized as expense with respect to stock options for financial

statement reporting purposes during the twelve months ended June 30, 2010 and 2009 in accordance with ASC 718.

- (2) Mr. Larcombe is an independent contractor whose services are provided through a professional services firm. This amount represents the total amount billed by that firm to the Company for Mr. Larcombe's services. Mr. Larcombe shares in the profits of that firm.

The current salaries of our named executive officers are as follows:

Name and Principal Position	Salary (\$)
Robert B. Kay Executive Chairman and CEO	\$ 200,000
Robert L. Erwin President	\$ 200,000

Frederick Larcombe

Note(1)

Chief Financial Officer

There is currently no bonus program established.

- (1) Mr. Larcombe is an independent contractor and is compensated on an hourly basis. His ongoing compensation is dependent upon the level of services required by us.

Outstanding Equity Awards at Fiscal Year-End**OUTSTANDING EQUITY AWARDS AT JUNE 30, 2010****Option Awards**

Name	Number of Securities Underlying Unexercised Options (#) (1)	Exercise Price (\$)	Expiration Date	Market Value (\$)
Robert B. Kay	250,000	\$ 0.20	February 12, 2019	\$ 475,000
	250,000	\$ 0.66	August 9, 2019	\$ 475,000
Robert L. Erwin	250,000	\$ 0.20	February 12, 2019	\$ 475,000
	250,000	\$ 0.66	August 9, 2019	\$ 475,000
Frederick Larcombe				

- (1) These options vest in five equal annual installments.

Employment Agreements

As of June 30, 2010, we did not have any employment contracts or other similar agreements or arrangements with any of our named executive officers.

Incentive Compensation Plan

We have established an incentive compensation plan and have reserved 10,000,000 shares of common stock to be issued to employees under this plan. As of June 30, 2010, we granted stock options with an aggregate of 2,210,000 underlying shares of common stock.

DIRECTOR COMPENSATION

Compensation for our non-employee directors has historically consisted of a grant of stock options vesting over a three-year period and additional cash compensation. We do not have a fixed policy with respect to this compensation, but the compensation is generally equal for each non-employee director except in cases where a director assumes additional responsibilities above and beyond standard board service. Directors who are also our employees will receive no additional compensation for their services as directors.

Director Compensation Table

The following table sets forth summary information concerning the total compensation paid to our non-employee directors in the fiscal year ended June 30, 2010 for services to us:

Name	Fees Earned or Paid in Cash (\$)	Option Awards (\$)(1)	Total (\$)
General James T. Hill	\$ 33,000	\$ 11,031	\$ 44,031
Glenn Chang	8,000	11,031	19,031
John D. McKey	8,000	18,198	26,198
Philip K. Russell, M.D.	4,167	5,093	9,260
Pamela Bassett, D.M.D.	2,500	3,665	6,165

- (1) The amounts in this column reflect the dollar amount recognized as expense with respect to stock options for financial statement reporting purposes during the twelve months ended June 30, 2010 in accordance with ASC 718.

PROPOSAL 2

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has selected J.H. Cohn LLP as our independent registered public accounting firm for the fiscal year ended June 30, 2010 and has further directed that management submit the selection of the independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. J.H. Cohn LLP was engaged as our principal accounting firm in October 2009. Representatives of J.H. Cohn 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 J.H. Cohn LLP as our independent registered public accounting firm. However, the Audit Committee of the Board is submitting the selection of J.H. Cohn LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee of the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee of the Board in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in our and our stockholders' best interests.

The affirmative vote of the holders of