

IR BIOSCIENCES HOLDINGS INC  
Form DEF 14A  
May 09, 2008

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SCHEDULE 14A  
(Rule 14a-101)

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 Rule 14a-11(c) or Rule 14a-12

IR BIOSCIENCES HOLDINGS, INC.  
(Name Of Registrant As Specified In Its Charter)

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

Payment of Filing Fee (Check 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:

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

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

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(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

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

\_\_\_\_\_

(3) Filing Party:

\_\_\_\_\_

(4) Date Filed:

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IR BIOSCIENCES HOLDINGS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of IR BioSciences Holdings, Inc.:

You are cordially invited to attend the 2008 Annual Meeting of Stockholders (the "Annual Meeting") of IR BioSciences Holdings, Inc, a Delaware corporation ("we," "us," "our," or the "Company"), to be held at the Villagio Inn, located at The Vintage Estates, 6841 Washington Street, Yountville, California, 94599, on June 25, 2008 at 9:00 a.m., Pacific Daylight Time.

The Annual Meeting of the Company is being held for the following purposes:

1. To elect six directors to serve on the Board of Directors until the 2009 Annual Meeting of Stockholders;
2. To approve an amendment to our Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock from 250,000,000 to 450,000,000;
3. In the event that number 2 above is approved, to approve an amendment to our 2003 Stock Option, Deferred Stock and Restricted Stock Plan (the "Plan") to increase the number of shares of our Common Stock reserved and available for issuance under the Plan from 20,000,000 to 60,000,000;
4. To approve an amendment to the IR BioSciences Holdings, Inc.'s Certification of Incorporation, as amended, (i) to provide for a recapitalization in which the issued and outstanding shares of our Common Stock will be reverse split in a ratio of one-for-ten at any time prior to March 31, 2009, if at all, with the timing thereof to be determined by the Board of Directors in its sole discretion and (ii) to reduce the number of authorized shares of Common Stock to 100,000,000.;
5. To ratify the appointment of RBSM LLP as the Company's independent public accountants for the fiscal year ending December 31, 2008; and,
6. To transact such other business as may properly come before the meeting.

The Board of Directors recommends a vote "for" each of the nominees and "for" each proposal listed above.

The Board of Directors has fixed the close of business on April 28, 2008 as the record date (the "Record Date") for determining those stockholders who will be entitled to vote at the Annual Meeting.

The Company's Annual Report to Stockholders for the year ended December 31, 2007 is enclosed with this notice. The following proxy statement and enclosed proxy card is being sent to each stockholder as of the Record Date. You are cordially invited to attend the Annual Meeting, but if you do not expect to attend, or if you plan to attend, but desire the proxy holders to vote your shares, please date and sign your proxy card and return it in the enclosed postage paid envelope. The giving of this proxy card will not affect your right to vote in person in the event you find it convenient to attend. Please return the proxy card promptly to avoid the expense of additional proxy solicitation.

By Order of the Board of Directors,

/s/ Michael K. Wilhelm  
Michael K. Wilhelm  
President and Chief Executive Officer

Scottsdale, Arizona

Dated: May 9, 2008

To be mailed to Stockholders on or about May 13, 2008.

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WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING, YOU ARE REQUESTED TO COMPLETE, SIGN, DATE AND MAIL THE ENCLOSED PROXY, WHICH IS SOLICITED BY AND ON BEHALF OF THE BOARD OF DIRECTORS, SO THAT YOUR SHARES MAY BE REPRESENTED AT THE MEETING. A POSTAGE-PAID ENVELOPE IS PROVIDED FOR MAILING IN THE UNITED STATES. THE GIVING OF SUCH PROXY WILL NOT AFFECT YOUR RIGHTS TO REVOKE SUCH PROXY OR TO VOTE IN PERSON SHOULD YOU LATER DECIDE TO ATTEND THIS MEETING.

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IR BIOSCIENCES HOLDINGS, INC.

PROXY STATEMENT

For Annual Meeting to be Held  
June 25, 2008 at 9:00 a.m. Pacific Daylight Time

This proxy statement is delivered to you by IR BioSciences Holdings, Inc. ("we," "us," "our," or the "Company"), a Delaware corporation, in connection with the Annual Meeting of Stockholders of the Company to be held on June 25, 2008 at 9:00 a.m. Pacific Daylight Time at the Villagio Inn, located at The Vintage Estates, 6841 Washington Street, Yountville, California, 94599 (the "Annual Meeting"). The approximate mailing date for this proxy statement and the enclosed proxy is May 13, 2008.

The purpose of the Annual Meeting is to seek stockholder approval of five proposals: (i) electing six directors to the Board of Directors; (ii) to approve an amendment to our Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock from 250,000,000 to 450,000,000; (iii) to approve an amendment to our 2003 Stock Option, Deferred Stock and Restricted Stock Plan (the "Plan") to increase the number of shares of our Common Stock reserved and available for issuance under the Plan from 20,000,000 to 60,000,000; (iv) to approve an amendment to the Company's Certificate of Incorporation, as amended, providing for a recapitalization in which the issued and outstanding shares of our Common Stock will be reverse split in a ratio of one-for-ten at any time prior to March 31, 2009, if at all, with the timing thereof to be determined by the Board of Directors in its sole discretion, and to decrease the number of authorized shares of Common Stock to 100,000,000; and, (v) to ratify the appointment of RBSM LLP, as the Company's independent registered public accounting firm for the year ending December 31, 2008.

Who may vote?

Holders of common stock of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting. There were 116,017,539 shares of common stock outstanding as of the Record Date. Only Stockholders of record at the close of business on the record date, April 28, 2008, are entitled to receive notice of the annual meeting and to vote the shares that they held on that date at the meeting, or any postponement or adjournment of the meeting. Each outstanding share of Common Stock entitles its holder to cast one vote on each matter to be voted.

Who can attend the meeting?

All Stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Please note that if you hold shares in "street name," that is through a broker or other nominee, you will need to bring a copy of the brokerage statement reflecting your stock ownership as of the record date.

What constitutes a quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the outstanding shares of our Common Stock on the record date will constitute a quorum. As of the record date, there were 116,017,539 shares of our Common Stock issued and outstanding.

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming



that a quorum is obtained. However, shares represented by such “broker non-votes” will be counted in determining whether there is a quorum. A properly executed proxy marked “Abstain” with respect to any such matter will not be voted, although it will be counted for purposes of determining whether there is a quorum.

If less than a majority of the outstanding shares of Common Stock entitled to vote are represented at the meeting, a majority of the votes present (either in person or by proxy) at the meeting may adjourn the meeting to another date, time or place, and notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before an adjournment is taken.

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How do I vote?

Registered Shareholders

- If you complete and properly sign the accompanying proxy card, and return it to us, it will be voted as you direct. If no direction is given, the shares represented by the proxy will be voted (i) for the election of the nominees for director named herein; (ii) for approving an amendment to our Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock from 250,000,000 to 450,000,000; (iii) in the event that (ii) above is approved, for approving an amendment to our 2003 Stock Option, Deferred Stock and Restricted Stock Plan (the "Plan") to increase the number of shares of our Common Stock reserved and available for issuance under the Plan from 20,000,000 to 60,000,000; (iv) for approving an amendment to the Company's Certificate of Incorporation, as amended, providing for a recapitalization in which the issued and outstanding shares of our Common Stock will be reverse split in a ratio of one-for-ten at any time prior to March 31, 2009, if at all, with the timing thereof to be determined by the Board of Directors in its sole discretion, and decreasing the number of authorized shares of Common Stock to 100,000,000; and, (v) for ratifying the appointment of RBSM LLP, as the Company's independent registered public accounting firm for the year ending December 31, 2008.
- If you wish to vote at the meeting, you may deliver your completed proxy card in person or you may vote by ballot in person at the annual meeting.

"Street Name" Shareholders

- If you complete and properly sign the accompanying proxy card, and return it to us, it will be voted as you direct. If no direction is given, the shares represented by the proxy will be voted (i) for the election of the nominees for director named herein; (ii) for approving an amendment to our Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock from 250,000,000 to 450,000,000; (iii) in the event that (ii) above is approved, for an amendment to our 2003 Stock Option, Deferred Stock and Restricted Stock Plan (the "Plan") to increase the number of shares of our Common Stock reserved and available for issuance under the Plan from 20,000,000 to 60,000,000; (iv) for approving an amendment to the Company's Certificate of Incorporation, as amended, providing for a recapitalization in which the issued and outstanding shares of our Common Stock will be reverse split in a ratio of one-for-ten at any time prior to March 31, 2009, if at all, with the timing thereof to be determined by the Board of Directors in its sole discretion, and decreasing the number of authorized shares of Common Stock to 100,000,000; and, (v) for ratifying the appointment of RBSM LLP, as the Company's independent registered public accounting firm for the year ending December 31, 2008.
- If you wish to vote at the meeting, you will need to obtain a proxy from the institution that holds your shares.

Can I change my vote after I return my proxy card?

Yes. Any proxy given may be revoked at any time prior to its exercise by notifying the Corporate Secretary of the Company in writing of such revocation, by duly executing and delivering another proxy bearing a later date, or by attending and voting in person at the Annual Meeting. The powers of the proxy holders will be suspended with respect to your shares if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy. The Company's principal executive office is located at 8767 E. Via De Ventura, Suite 190, Scottsdale, Arizona 85258.

What are the Board's recommendations?

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board of Directors. The Board's recommendations are provided together with a description of each proposal in this proxy statement. In summary, the Board recommends a vote:

- for election of the nominated slate of directors (see page 5);
- for approving an amendment to our Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock from 250,000,000 to 450,000,000 (see page 22);
- for an amendment to our 2003 Stock Option, Deferred Stock and Restricted Stock Plan (the "Plan") to increase the number of shares of our Common Stock reserved and available for issuance under the Plan from 20,000,000 to 60,000,000 (see page 24);
- for approval of the amendment to our Certificate of Incorporation, as amended, to provide for a recapitalization in which the issued and outstanding shares of our Common Stock will be reverse split in a ratio of one-for-ten at any time prior to March 31, 2009, if at all, with the timing thereof to be determined by the Board of Directors in its sole discretion, and to decrease the number of authorized shares of Common Stock to 100,000,000 (see page 26); and,
- for ratifying the appointment of RBSM LLP as our independent public accountants for the year ending December 31, 2008 (see page 33).

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What vote is required to approve each item?

Election of Directors. The nominees for election to the Board of Directors, who receive the greatest number of votes cast for the election of directors by the shares present at the annual meeting, in person or by proxy, shall be elected directors. Stockholders do not have the right to cumulate their votes for directors. In the election of directors, an abstention or broker non-vote will have no effect on the outcome.

Approval of an Amendment to Our Certificate of Incorporation, as amended, to Increase the Number of Authorized Shares of Common Stock. The proposal to amend our Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock will be approved upon the affirmative vote of a majority of shares of Common Stock issued and outstanding entitled to vote on the proposal. Under Delaware law, abstentions and broker non-votes will have the same effect as a vote against the proposed amendment to the Certificate of Incorporation, as amended.

Approval of an Amendment to Our 2003 Stock Option, Deferred Stock and Restricted Stock Plan to Increase the Number of Shares of our Common Stock Reserved and Available for issuance under the Plan. The proposal to approve an amendment to our Plan to increase the number of shares of our Common Stock reserved and available for issuance under the Plan will be approved upon the affirmative vote of a majority of shares of Common Stock issued and outstanding, present at the annual meeting, in person or by proxy, and entitled to vote on the proposal. With the amendment of our Plan, an abstention or broker non-vote will have the same effect as a vote against the Plan Amendment. This proposal is conditioned upon and may become effective only in the event that the proposal to amend our Certificate of Incorporation, as amended, to increase the number of authorized shares of Common Stock, is approved.

Approval of an Amendment to Our Certificate of Incorporation, as amended, providing for a recapitalization in which the issued and outstanding shares of our Common Stock will be reverse split in a ratio of one-for-ten at any time prior to March 31, 2009, if at all, with the timing thereof to be determined by the Board of Directors in its sole discretion and decreasing the number of authorized shares of our Common Stock to 100,000,000. The proposal to approve the amendment to our Certificate of Incorporation, as amended, to effect a reverse stock split of Common Stock and decrease the number of authorized shares of our Common Stock, requires the affirmative vote of a majority of the shares of Common Stock issued and outstanding entitled to vote on the proposal. Under Delaware law, abstentions and broker non-votes will have the same effect as a vote against the proposed amendment to the Certificate of Incorporation, as amended. This proposal is not conditioned upon approval of but may be approved independent of the proposal to amend our Certificate of Incorporation, as amended, to increase the number of authorized shares of our Common Stock from 250,000,000 to 450,000,000. However, if the proposal to amend our Certificate of Incorporation, as amended, to increase the number of authorized shares of our Common Stock from 250,000,000 to 450,000,000 is approved, it will be filed with the Delaware Secretary of State prior to this proposal to amend our Certificate of Incorporation, as amended, to reverse split the stock and to decrease the number of authorized shares of our Common Stock.

Ratifying the Appointment of RBSM LLP. The proposal to ratify the appointment of RBSM LLP as our independent public accountants for the year ending December 31, 2008 will be adopted upon the affirmative vote of the majority of shares voting on the proposal. Abstentions and broker non-votes will have no effect on the outcome.

UNLESS OTHERWISE DIRECTED IN THE ACCOMPANYING PROXY, THE SHARES REPRESENTED BY YOUR EXECUTED PROXY WILL BE VOTED "FOR" THE APPROVAL OF THE PROPOSALS SET FORTH IN THIS PROXY STATEMENT.



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Who pays for the preparation of this proxy?

The cost of this solicitation of proxies will be borne by the Company. Solicitations will be made by mail. In addition, the officers and other regularly engaged employees of the Company may, in a limited number of instances, solicit proxies personally or by telephone. Our representatives will not receive any compensation for soliciting proxies other than their regular salaries or consulting fees. We may request banks, brokers and other custodians, nominees and fiduciaries to forward copies of the proxy material to the beneficial owners of our Common Stock and to request authority for the execution of proxies, and we may reimburse such persons for their expenses incurred in connection with these activities.

Delivery of proxy materials to households

Only one copy of the Company's Annual Report for the fiscal year ended December 31, 2007 and Proxy Statement will be delivered to an address where two or more stockholders reside unless the Company has received contrary instructions from a stockholder at such address. A separate proxy card will be delivered to each stockholder at such shared address.

If you are a stockholder who lives at a shared address and you would like additional copies of the Company's Annual Report for the fiscal year ended December 31, 2007, this Proxy Statement, or any future annual reports or proxy statements, contact the Corporate Secretary, Michelle Laroche, at (480) 922-3926 or 8767 E. Via De Ventura, Suite 190, Scottsdale, Arizona 85258, and the Company will promptly mail you copies.

Can I see a list of the Stockholders entitled to vote?

Any stockholder may look at the complete list of the Stockholders that are entitled to vote at the annual meeting so long as it is for a purpose germane to the annual meeting. The list will be available in these circumstances, during normal business hours, at our offices located at 8767 E. Via De Ventura, Suite 190, Scottsdale, AZ 85258, for a period of ten days prior to the annual meeting and at the annual meeting itself.

What should I have received to enable me to vote?

Your package from us should contain this proxy statement and a proxy card. This package is being mailed on or about May 13, 2008.

Interest of Executive Officers and Directors

None of the Company's executive officers or directors have any interest in any of the matters to be acted upon at the Annual Meeting, except, that, with respect to each director, to the extent that a director is named as a nominee for election to the Board of Directors, and in that their ownership in the Company may be diluted by the issuance of additional shares if the authorized capital is increased and/or the one-for ten reverse stock split occurs.

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PROPOSALS TO OUR STOCKHOLDERS

PROPOSAL NO. 1

ELECTION OF DIRECTORS

General

The Company's Board of Directors is elected for a one-year term and thereafter until their successors are duly elected and qualified or until their death, resignation or removal. Directors are elected annually at the Annual Meeting. The Company's Bylaws provide for a Board of Directors with a range of between two and nine members. The Company currently has six members on its Board of Directors.

The first proposal for consideration at the annual meeting is the election of a new Board composed of the six persons set forth below. If elected, each of these directors will hold office until the 2009 annual meeting of Stockholders or until his earlier resignation or removal.

- Lance K. Gordon, Ph.D.
- Robert J. Hariri, M.D., Ph.D.
  - Hal N. Siegel, Ph.D.
- Theodore E. Staahl, M.D.
  - Michael K. Wilhelm
- Jerome B. Zeldis, M.D., Ph.D.

We expect that a majority of the Common Stock will be voted in favor of the six nominees named above. All director nominees are currently serving as directors, and there are no other directors continuing to serve in office. Each nominee has agreed to be named in this proxy statement and to serve as a director if elected. For biographical information regarding the nominees, see "Director Nominees for Election for a One Year Term Expiring at the 2009 Annual Meeting" on page 6 of this proxy statement.

Vote Required and Recommendation

The nominees for election to the Board of Directors, who receive the greatest number of votes cast for the election of directors by the shares present, in person or by proxy, will be elected directors. Stockholders do not have the right to cumulate their votes for directors. In the election of directors, an abstention or broker non-vote will have no effect on the outcome

The Board of Directors recommends a vote FOR election of each of the director nominees.

How are directors compensated?

Our policy has been to pay no cash compensation to directors who are our employees or affiliates for their service as directors.

Outside directors receive for service as a member of the Company's Board of Directors, a grant of a non-qualified stock option to purchase shares of common stock under the Company's 2003 Stock Option, Deferred Stock and Restricted Stock Plan. Furthermore, outside directors are eligible to receive monetary and/or equity compensation, in the event they perform additional functions and achieve milestones, as agreed. Outside directors are also reimbursed for all out-of-pocket expenses incurred in the performance of their duties to us, including attendance at Board

meetings.

Are our employees paid additional compensation for services as directors?

No. We do, however, reimburse them for travel and other related expenses.

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How often did the Board meet during 2007?

The Board met two (2) times during 2007. All of our incumbent Board members attended 100% of the total meetings of the Board and any Board committees on which they served during 2007. The Company does not have a policy requiring its directors to attend the Annual Meeting of Stockholders.

What committees has the Board established?

The Board has established an Executive Committee. Currently we have no Compensation and Audit Committees. We do not maintain a standing nominating committee or other committee performing similar functions. The function of determining executive compensation, selecting and engaging our independent auditors, reviewing our accounting and reporting principles and practices, reviewing of our financial statements for each interim period and nominating directors are all carried out by the entire Board of Directors. Our Bylaws, however, provide a procedure for you to recommend candidates for directors at a Stockholders meeting. For more information, see page 34 under "Shareholder Proposals." Michael K. Wilhelm and Theodore E. Staahl, M.D. serve on the Executive Committee. The Company intends to charter Audit and Compensation committees in the near future.

Director Nominees for Election for a One Year Term Expiring at the 2009 Annual Meeting

Name	Age	Year First Appointed	Director	Position
Lance K. Gordon, Ph.D.	60	2007	Director	Director
Robert J. Hariri, M.D., Ph.D.	48	2007	Director	Director
Hal N. Siegel, Ph.D.	53	2006	Vice-President and Chief Scientific Officer and Director	Vice-President and Chief Scientific Officer and Director
Theodore E. Staahl, M.D.	63	2003	Director	Director
Michael K. Wilhelm	41	2003	President, Chief Executive Officer and Director	President, Chief Executive Officer and Director
Jerome B. Zeldis, M.D., Ph.D.	58	2007	Director	Director

The persons named below will be nominated for election as directors of the Company at this Annual Meeting to serve until the next Annual Meeting and until their successors are elected and have qualified. Each of the nominees is currently a director of the Company. The Board of Directors, as a whole, identifies director nominees, evaluating candidates based on the requirements set forth in the Company's Bylaws and applicable regulatory requirements.

The following are biographical summaries for the Company's nominees for election as directors:

Lance K. Gordon, Ph.D., Director. Dr. Gordon has served on our Board of Directors since May 2007. He currently serves as President and CEO of ImmunoBiologics Corporation, a formative biotechnology company that he founded in 2007. Prior to his work at ImmunoBiologics Corporation Dr. Gordon served as President, Chief Executive Officer and as a Director of VaxGen, Inc. from 2001 to 2007. Prior to joining Vaxgen, Dr. Gordon was Executive Director of North America for Acambis plc. and a member of the Company's Board of Directors from 1999 to 2001. Previously, he served as President and CEO of OraVax, Inc. from 1990 to 1999, prior to its acquisition by Peptide Therapeutics to form Acambis. Before joining OraVax, he served as the CEO of North American Vaccine from 1988 to 1990, prior to its acquisition by Baxter International. Dr. Gordon received his Ph.D. in Biomedical Science, Immunology from the University of Connecticut and completed his postdoctoral fellowship as an NIH fellow at the Division of Allergy and

Immunology, Washington University Medical School, St. Louis. He currently serves on the DHHS National Vaccines Advisory Committee and on the Board of Trustees of the Sabin Vaccine Institute.

Robert J. Hariri, M.D., Ph.D., Director. Dr. Hariri, M.D. has served on our Board of Directors since April 2007. Dr. Hariri has been CEO of Celgene Cellular Therapeutics, a division of Celgene, since 2005. Previously, he had been President of the division from 2002 to 2005. The division focuses on human stem and biomaterial solutions for a range of clinical indications. From 1998 to 2002, prior to joining Celgene Cellular Therapeutics, Dr. Hariri was Founder, Chairman and Chief Scientific Officer for Anthrogenesis Corp./LIFEBANK, Inc., a New Jersey-based privately held biomedical technology and service corporation involved in umbilical cord blood banking and its supporting technology platform. From 1987 to 1994, he was Co-founder, Vice Chairman and Chief Scientific Officer of Neurodynamics, a privately held medical device and technology corporation. Dr. Hariri has held academic positions at Cornell University Medical College Cornell University Graduate School of Medical Sciences. He has also played a prominent medical role at Cornell University Medical College, The New York Hospital-Cornell Medical Center and The Jamaica Hospital-Cornell Trauma Center. While at Cornell, he was the Director of The Center for Trauma Research. He received his Medical Degree and Ph.D. from Cornell University and was awarded a Bachelor of Arts Degree from Columbia College.

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Hal N. Siegel, Ph.D., Vice President and Chief Scientific Officer.

Dr. Siegel has served on the Board of Directors since June 2006. Dr. Siegel was appointed as Chief Scientific Officer and Vice President in January 2008 after serving as our Senior Director of Product Development and Regulatory Affairs since June 2006. Prior to joining the company, Dr. Siegel served as Acting General Manager and Vice President Regulatory and Scientific Affairs for Zila Biotechnology, Inc. from 2004 to October 2006. In addition, since 2001, Dr. Siegel has provided consulting services for Siegel Consultancy LLC, which has been providing strategic and tactical expertise to life science companies, helping them meet FDA requirements from pre-clinical studies through the regulatory submission process and into the post-approval marketplace. Dr. Siegel holds degrees from Rensselaer Polytechnic Institute and SUNY Buffalo, where he earned his Ph.D., in Biochemical Pharmacology.

Theodore E. Staahl, M.D., Director. Dr. Staahl has served on our Board of Directors since April 2003. Dr. Staahl is employed at the Cosmetic, Plastic and Reconstructive Surgery Center, a company which he founded in 1978. Dr. Staahl's professional training was received at the University of Illinois and the University of Wisconsin and is board certified by the American Board of Facial, Plastic and Reconstruction Surgeons, the Board of Cosmetic Surgeons and the American Board of Head and Neck Surgeons. Dr. Staahl has presented papers at national and international meetings on hair transplant, rhinoplasty and cleft lip deformities.

Michael K. Wilhelm, President, Chief Executive Officer And Director. Michael K. Wilhelm has been our President and Chief Executive Officer and a member of our Board of Directors since July 2003. Mr. Wilhelm has been President and Chief Executive Officer and a member of the Board of Directors since co-founding ImmuneRegen BioSciences, Inc., our wholly-owned subsidiary, in December 2002. Mr. Wilhelm has served as Managing Director of Foresight Capital Corporation since July 1996, a company he founded to consult and assist early-stage companies in furthering their growth and development. Mr. Wilhelm retains the title of Managing Director of Foresight Capital Corporation, but the company has had limited and insignificant business operations since December 2002.

Jerome B. Zeldis, M.D., Ph.D., Director. Dr. Zeldis has served on our Board of Directors since November 2007. Dr. Zeldis currently serves as Chief Medical Officer of Celgene Corporation, Warren N.J., a position he has held since 1997. He is also currently, and since 2003, Professor of Clinical Medicine at the Robert Wood Johnson Medical School in New Brunswick, N.J. Prior to working at Celgene, Dr. Zeldis worked at Sandoz Research Institute from 1994 to 1995 and Janssen Research Institute from 1995 to 1997 in both clinical research and medical development. He has been a Board member of a few start-up biotechnology companies and is currently on the Board of the Semorex Corporation, the N.J. Chapter of the Arthritis Foundation, and the Castleman's Disease Organization.

## MANAGEMENT

The following table sets forth the names and positions of all of our current directors and executive officers.

Name	Age	Position
Michael K. Wilhelm	41	President, Chief Executive Officer and Director
John N. Fermanis	54	Chief Financial Officer
Hal N. Siegel, Ph.D.	53	Vice-President and Chief Scientific Officer
Lance K. Gordon, Ph.D.	60	Director
Robert J. Hariri, M.D., Ph.D.	48	Director
Theodore E. Staahl, M.D.	63	Director
Jerome B. Zeldis, M.D., Ph.D.	58	Director

Biographical information about our directors and officers except Mr. John N. Fermanis are included under the caption, "Director Nominees for Election for a One Year Term Expiring at the 2009 Annual Meeting".

John N. Fermanis, Chief Financial Officer. Mr. Fermanis has served as our Chief Financial Officer since December 2004. From May 2001 to October 2004 Mr. Fermanis served as Chief Financial Officer of AMPS Wireless Data, Inc., a privately held Arizona corporation which he co-founded in 1998. From 1997 to 2001, Mr. Fermanis held the position of Treasury Manager for Peter Piper, Inc., a national restaurant chain headquartered in Scottsdale, Arizona. Mr. Fermanis has over 18 years of financial management experience with both the American Express Corporation and Citigroup in New York City. Mr. Fermanis holds a Bachelor of Arts degree from the S.U.N.Y. at Stony Brook and attended Pace University's Graduate School of Management in New York City.

There are no family relationships among the directors and executive officers.

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## EXECUTIVE COMPENSATION

## Summary Compensation Table

The following table sets forth information concerning the compensation for the two fiscal years ended December 31, 2007 and 2006, of our principal executive officer, our two most highly compensated executive officers other than our principal executive officer whose annual compensation exceeded \$100,000, and up to two additional individuals for whom disclosure would have been made in this table but for the fact that the individual was not serving as an executive officer of our company at December 31, 2007, if any (collectively, the "Named Executive Officers").

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
Michael K. Wilhelm							
President, CEO and Director	2007	\$ 315,414	\$ 82,239	—\$	883,544	\$ 15,820	\$ 1,297,017
	2006	\$ 286,317	\$ 41,278 (1)	—\$	735,731	\$ 5,955	\$ 1,069,281
John N. Fermanis	2007	\$ 112,000	\$ 5,800	—\$	230,051	\$ 5,994	\$ 353,845
Chief Financial Officer	2006	\$ 98,000	\$ 17,596 (1)	—	—	—\$	115,596
Hal N. Siegel							
Vice-President and Chief Scientific Officer	2007	\$ 201,884	—	—\$	263,147	—\$	465,031
	2006	\$ 42,308	—	—\$	32,071	\$ 95,574	\$ 169,953

(1)The amounts shown are the amounts of compensation cost recognized by us in fiscal year 2006 related to the issuance of cash and common stock purchase warrants as bonus in fiscal year 2006 and prior fiscal years.

Named Executive Officer	Issue Date	Price	Underlying Warrants	Compensation Cost
Michael K. Wilhelm	July 14, 2006	\$ 0.250	300,000	\$ 41,278
John N. Fermanis	July 14, 2006	\$ 0.158	62,500	\$ 9,596

(2) The amounts shown are the amounts of compensation cost recognized by us in fiscal year 2007 related to the grants of stock options in fiscal year 2007 and prior fiscal years, as described in Statement of Financial Accounting Standards No. 123R. For a discussion of valuation assumptions, see Note A to our 2007 Consolidated Financial Statements included in our annual report on Form 10-K for the year ended December 31, 2007; excluding any assumptions for forfeitures. The table below shows how much of the overall amount of the compensation cost is attributable to each award.

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Named Executive Officer	Grant Date	Price (\$)	Underlying Options	Compensation Cost
Michael K. Wilhelm	August 1, 2007	\$ 0.166	2,000,000	\$ 330,975
	August 1, 2007	\$ 0.195	500,000	\$ 81,112
	September 13, 2006	\$ 0.220	3,500,000	\$ 469,247
	July 14, 2006	\$ 0.231	1,896,970	\$ 266,484
	August 10, 2005	\$ 0.330	103,030	\$ 27,513
	May 20, 2005	\$ 0.440	150,000	\$ 55,399
Hal N. Siegel	August 1, 2007	\$ 0.166	1,100,000	\$ 182,035
	August 1, 2007	\$ 0.195	500,000	\$ 81,112
	October 23, 2006	\$ 0.200	200,000	\$ 32,071
John N. Fermanis	August 1, 2007	\$ 0.166	900,000	\$ 148,939
	August 1, 2007	\$ 0.195	500,000	\$ 81,112

(3)The amounts shown are the amounts of compensation cost recognized by us in fiscal year 2006 related to the issuance of Common Stock purchase warrants in fiscal year 2006 and prior fiscal years.

Named Executive Officer	Issue Date	Price (\$)	Underlying Warrants	Compensation Cost
Hal N. Siegel	September 30, 2006	\$ 1.000	2,500	\$ 156
	June 30, 2006	\$ 1.000	2,500	\$ 213
	March 31, 2006	\$ 0.125	9,000	\$ 2,267
	December 31, 2005	\$ 0.125	9,000	\$ 2,242
	September 30, 2005	\$ 0.125	9,000	\$ 3,003
	June 30, 2005	\$ 0.125	9,000	\$ 2,242
	March 31, 2005	\$ 0.125	900	\$ 352
	March 12, 2005	\$ 0.125	3,000	\$ 1,173

## Automobile Leases

In October 2006, the Company signed a three-year lease agreement for an automobile for the Company's Chief Executive Officer. The rental cost per month is approximately \$1,318. The total cost recognized by us in fiscal year 2007 related to the automobile lease was \$15,820.

In December 2006, the Company signed a two-year lease agreement for an automobile for the Company's Chief Financial Officer. The rental cost per month is approximately \$499. The total cost recognized by us in fiscal year 2007 related to the automobile lease was \$5,994.

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Option Grants in Fiscal Year 2007

In August 2007, we granted options to purchase 2,500,000 shares of Common Stock to our Chief Executive Officer, Michael K. Wilhelm. The options vest 100% after thirty days of continued employment.

In July 2006, we granted options to purchase 1,896,970 shares of Common Stock to our Chief Executive Officer, Michael K. Wilhelm. The options vest 50% after ninety days of continued employment and the balance in equal monthly installments for 12 months thereafter.

In September 2006, we issued options to purchase 3,500,000 shares of Common Stock to our Chief Executive Officer, Michael K. Wilhelm. The options vest 50% after thirty days of continued employment with the balance in equal monthly installments for 12 months thereafter.

In August 2007, we granted options to purchase 1,600,000 shares of Common Stock to our Vice-President, Chief Scientific Officer and Director, Hal N. Siegel. The options vest 100% after thirty days of continued employment.

In October 2006, we issued options to purchase 200,000 shares of Common Stock to our Senior Director, Product Development and Regulatory Affairs and Director, Hal N. Siegel.

In August 2007, we granted options to purchase 1,400,000 shares of Common Stock to our Chief Financial Officer, John N. Fermanis. The options vest 100% after thirty days of continued employment.

As of December 31, 2007, total unrecognized stock-based compensation expense related to stock options was \$12,420. During the year ended December 31, 2006 we charged \$264,274 to operations related to recognized stock-based compensation expense for employee stock options.

Employment Agreements

President and Chief Executive Officer:

On August 10, 2005, we entered into a new employment agreement with our President and Chief Executive Officer, Michael K. Wilhelm. The employment agreement calls for a salary at the rate of \$275,000 per annum. The salary will be subject to adjustment of at least 10% per year at the end of each year. We also agreed to defend and indemnify, to the fullest extent permitted by our certificate of incorporation and bylaws and the Delaware General Corporation Law, Mr. Wilhelm and hold him harmless against any liability that he incurs within the scope of his employment under the agreement. The agreement also provides for the following various bonus incentives:

- i) A target incentive bonus in cash and/or stock if we consummate a transaction with any unaffiliated third party such as an equity or debt financing, acquisition, merger, strategic partnership or other similar transaction.
- ii) A one time grant of an option to purchase 2,000,000 shares of our Common Stock at an exercise price equal to the fair market value per share on the date option is granted.

In connection with Mr. Wilhelm's new employment agreement, we also entered into a change of control agreement and a severance agreement with him on August 10, 2005. Under the change of control agreement, Mr. Wilhelm shall be entitled to a continuation of his base salary for a period of 18 months following an involuntary termination, which means, at any time within that period which is one-year from the change of control date (including such date), the termination of the employment of Mr. Wilhelm (i) by us without cause or (ii) due to constructive termination, as such terms are defined in the change of control agreement. Further, in the event of an involuntary termination, the

agreement provides that the registrant shall pay Mr. Wilhelm a lump sum amount in cash, equal to the sum of (i) any unpaid incentive compensation which has been allocated or awarded to Mr. Wilhelm for a completed fiscal year or other measuring period preceding the date of involuntary termination under any annual or long-term incentive plan and which, as of the date of involuntary termination, is contingent only upon the continued employment of Mr. Wilhelm to a subsequent date, and (ii) a pro rata portion to the date of involuntary termination of the aggregate value of all contingent incentive compensation awards to Mr. Wilhelm for all then uncompleted periods under any such plan. Further, 100% of the unvested portion of each outstanding stock option granted to Mr. Wilhelm shall be accelerated so that they become immediately exercisable upon the date of involuntary termination.



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Under the severance agreement, Mr. Wilhelm shall be entitled to a continuation of his base salary for a period of 18 months following an involuntary termination, which means the termination of the employment of Mr. Wilhelm (i) by us without cause or (ii) due to constructive termination, as such terms are defined in the severance agreement. Further, in the event of an involuntary termination, the agreement provides that the registrant shall pay Mr. Wilhelm an amount equal to the amount of executive incentive pay (bonus) that he would have received for the year in which the involuntary termination occurred had he met one hundred percent (100%) of the target for such incentive pay. Also, under this agreement, 100% of the unvested portion of each outstanding stock option granted to Mr. Wilhelm shall be accelerated so that they become immediately exercisable upon the date of involuntary termination.

Chief Financial Officer:

Pursuant to our employment agreement with John Fermanis, our Chief Financial Officer, dated February 15, 2005, we paid a salary of \$60,000 until we completed a financing of \$500,000 or more. This occurred on March 4, 2005 when we completed a Tender Offer for warrants totaling \$1,190,857 net of fees. From March 4, 2005, until December 31, 2005, we paid an annual salary of \$85,000. Thereafter, we paid an annual salary of \$98,000 for the second year ending December 31, 2006 and an annual salary of \$112,000 for the third year ending December 31, 2007. Mr. Fermanis' salary is payable in regular installments in accordance with our customary payroll practices. Mr. Fermanis also received 100,000 shares of our Common Stock, which were earned at the rate of 1/12 or 8,333 per month beginning January 2005. We charged to operations the market value of these shares as of the first day of each month. For the twelve months ended December 31, 2006, we charged \$41,416 to operations for the issuance of 100,000 shares to Mr. Fermanis.

Pursuant to terms of our employment agreement with Mr. Fermanis, our Chief Financial Officer, dated January 1, 2008, we pay an annual base salary of \$130,000 for the first year and \$140,000 for the second year. Mr. Fermanis will also be eligible for discretionary bonuses under the Company's stock option plan during his employment. The employment agreement has a term of two years, subject to early termination provisions. The Company may terminate the employment agreement at any time for cause, as defined in the employment agreement, and upon 15 days written notice without cause. Mr. Fermanis may terminate the employment agreement for any reason with 30 days written notice. Upon termination of Mr. Fermanis' employment by the Company without cause or constructive termination, as defined in the employment agreement, the Company agrees to pay to Mr. Fermanis the remainder of his salary for the year or six months salary, whichever is greater, and any accrued vacation. Pursuant to the terms of the employment agreement, Mr. Fermanis may not compete against the Company and he may not solicit the Company's customers during the term of the employment agreement and for a period of three years following the termination of his employment agreement. Mr. Fermanis also may not disclose any confidential information during or within three years after his employment.

Vice President and Chief Scientific Officer:

Pursuant to our employment agreement with Hal N. Siegel, our Vice President and Chief Scientific Officer, dated October 23, 2006, we will pay an annual base salary of \$200,000 for the first year and \$210,000 for the second year. Mr. Siegel will also be eligible for discretionary bonuses under our stock option plan during his employment. In addition, Mr. Siegel received options with a term of five years to purchase 200,000 shares of our Common Stock. The options are exercisable at \$0.20 per share. The employment agreement has a term of two years, subject to early termination provisions. Upon termination of Mr. Siegel's employment by us without cause or constructive termination, as defined in the agreement, we agree to pay to Mr. Siegel the remainder of his salary for the year or six months salary, whichever is greater, and any accrued vacation.

In addition, we entered into a change of control agreement with Hal Siegel. Pursuant to the terms of the change of control agreement, we agree to pay Mr. Siegel his salary for a period of 18 months from the date of an involuntary

termination, payable in accordance with our compensation practice. Involuntary termination is defined as the termination of Mr. Siegel's employment by us without cause or due to constructive termination at any time within one-year of a change of control event, as defined in the agreement.

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## Outstanding Equity Awards at Fiscal Year-End as of December 31, 2007

As of the year ended December 31, 2007, the following Named Executive Officers had the following outstanding equity awards:

Name	Number of Securities Underlying Unexercised Options # Exercisable	Number of Securities Underlying Unexercised Options # Unexercisable	Option Awards Equity Incentive Plan Awards:		Option Exercise Price (\$)	Option Expiration Date
			Number of Securities Underlying Unexercised Options (#)	Unearned Options		
Michael K. Wilhelm President, CEO and Director	1,896,970	—	—	—	\$ 0.231	7/14/2011
	454,545	—	—	—	\$ 0.220	9/13/2011
	3,045,455	—	—	—	\$ 0.220	9/13/2011
	2,000,000	—	—	—	\$ 0.166	7/31/2017
	500,000	—	—	—	\$ 0.195	7/31/2017
John N. Fermanis Chief Financial Officer	900,000	—	—	—	\$ 0.166	7/31/2017
	500,000	—	—	—	\$ 0.195	7/31/2017
Hal N. Siegel Vice-President and Chief Scientific Officer	200,000	—	—	—	\$ 0.200	10/23/2011
	1,100,000	—	—	—	\$ 0.166	7/31/2017
	500,000	—	—	—	\$ 0.195	7/31/2017

## Director Compensation

Name	Fees Earned or Paid		Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
	in Cash (\$)	Stock Awards (\$)					
Lance K. Gordon, Ph.D.	\$ —	—	—165,457	—	—	—	—\$ 165,457
Robert J. Hariri, M.D., Ph.D.	—	—	—330,974	—	—	—	— 330,974
Theodore E. Staahl, M.D.	—	—	— 41,372	—	—	—	— 41,372
Jerome B. Zeldis, M.D., Ph.D.	—	—	—	—	—	—	—
Mark L. Witten, Ph.D. (1)	\$ 5,000	--	--	--	--	--	-- \$ 5,000

(1)

Mark L. Witten, Ph.D. resigned as a member of the Board of Directors on May 18, 2006. On December 16, 2002 we entered into a consulting agreement with Mark Witten, our chief research scientist and director. The consulting agreement was entered into on a month-to-month basis. Under the terms of this agreement, Dr. Witten agreed to place at our disposal his judgment and expertise in the area of acute lung injury. In consideration for these services, we agreed to pay Dr. Witten a non-refundable fee of \$5,000 per month. This contract was terminated effective February 1, 2006.

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Compensation of Directors

Standard Arrangements. Directors currently receive no cash compensation from IR BioSciences Holdings, Inc. for their services as members of the Board or for attendance at committee meetings. Members of the Board are reimbursed for some expenses in connection with attendance at Board and committee meetings.

Other Arrangements.

Subject to approval by our Board of Directors, we may from time to time issue options and/or warrants to executives and directors for fulfilling certain performance goals.

LONG TERM INCENTIVES

Stock Options and Restricted Stock

Executive officers, together with our other employees, are eligible to receive grants of awards under our 2003 Stock Option, Deferred Stock and Restricted Stock Plan. These awards may be in the form of stock options and/or restricted stock grants. The number of shares underlying options or shares, together with all other terms of the options and shares, are established by the Board of Directors.

Stock Incentive Plans

2003 Stock Option, Deferred Stock and Restricted Stock Plan

Nature of the Plan. We adopted our 2003 Stock Option, Deferred Stock and Restricted Stock Plan (the "Plan") which authorizes the Board of Directors in accordance with the terms of the Plan, among other things, to grant incentive stock options as defined by Section 422(b) in the Internal Revenue Code, nonstatutory stock options and awards of restricted stock and deferred stock and to sell shares of our Common Stock pursuant to the exercise of such stock options. On June 28, 2006, our Stockholders voted to approve an amendment to our 2003 Stock Option, Deferred Stock and Restricted Stock Plan to increase the number of shares of our Common Stock reserved and available for issuance under the plan from 3,600,000 to 20,000,000. Grants of Awards representing 19,924,972 shares of our Common Stock have been made under the Plan with exercise prices ranging from \$0.066 to \$0.44. As of April 25, 2008 we had a balance of 75,028 shares of our Common Stock reserved and available for issuance under the Plan.

Purpose. The primary purpose of the Plan is to attract and retain the best available personnel in order to promote the success of our business and to facilitate the ownership of our stock by employees and others who provide services to us.

Administration. The Plan is administered by our Board of Directors, as the Board of Directors may be composed from time to time. Notwithstanding the foregoing, the Board of Directors may at any time, or from time to time, appoint a committee of at least two members of the Board of Directors, and delegate to the committee the authority of the Board of Directors to administer the Plan. Upon such appointment and delegation, the committee shall have all the powers, privileges and duties of the Board of Directors, and shall be substituted for the Board of Directors, in the administration of the Plan, subject to certain limitations.

Eligibility. Under the Plan, options to purchase shares and the award of shares of Common Stock may be granted to employees, officers, directors or consultants of the Company.

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Terms of Options. The term of each option granted under the Plan shall be contained in a stock option agreement between the optionee and the Company and such terms shall be determined by the Board of Directors consistent with the provisions of the Plan, including the following:

(a) Purchase Price. The purchase price of the Common Stock subject to each incentive stock option shall not be less than the fair market value of our Common Stock at the time of the grant (as set forth in the Plan), or in the case of the grant of an incentive stock option to a principal stockholder, not less than 110% of fair market value of our Common Stock at the time such option is granted. The purchase price of the Common Stock subject to each Non-Qualified stock option shall be determined at the time such option is granted, but in no case less than 85% of the fair market value of such Common Stock at the time such option is granted;

(b) Vesting. The dates on which each option (or portion thereof) shall be exercisable and the conditions precedent to such exercise, if any, shall be fixed by the Board of Directors, in its discretion, at the time such option is granted. The Board of Directors may, in its discretion, declare that the restrictions applicable to any Restricted Stock or Deferred Stock awards under the Plan shall be deemed fully or partially vested upon a change of control transaction as described in the Plan;

(c) Expiration. The expiration of each option shall be fixed by the Board of Directors, in its discretion, at the time such option is granted; however, unless otherwise determined by the Board of Directors at the time such option is granted, an option shall be exercisable for up to ten years after the date on which it was granted, or five years for grants to a 10% shareholder;

(d) Transferability. No Stock Option shall be transferable by the optionee otherwise than by will or by the laws of descent and distribution. Incentive Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee;

(e) Option Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, reverse stock split or other change in corporate structure affecting our Common Stock, an appropriate substitution or adjustment shall be made in (i) the aggregate number of shares reserved for issuance under the Plan, and (ii) the kind, number and option price of shares subject to outstanding Awards granted under the Plan as may be determined by the Administrator, in its sole discretion, provided that the number of shares subject to any Award shall always be a whole number;

(f) Termination, Modification And Amendment. The Plan (but not options previously granted under the Plan) shall terminate ten years from the date of its adoption by the Board of Directors, and no option or shares shall be granted after termination of the Plan. Subject to certain restrictions, the Plan may at any time be terminated and from time to time be modified or amended by the affirmative vote of the holders of a majority of the outstanding shares of the capital stock of the Company present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable laws of the State of Delaware.

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## Equity Compensation Plan Information

The following table summarizes information regarding shares issuable as of March 31, 2008, under our equity compensation plans, including the number of shares of common stock subject to options, restricted stock units, deferred shares and other rights granted to employees, consultants and members of our Board of Directors; the weighted-average exercise price of outstanding options; and the number of shares remaining available for future award grants under these plans. Additional information regarding our equity compensation plans can be found in footnote 7 of our consolidated financial statements included in our Annual Report on Form 10-K for fiscal year ended December 31, 2007.

Equity compensation plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Plans approved by security holders (1)	16,348,465	\$ 0.193	75,028
Plans not approved by security holders	63,212	\$ 24.84	-
Total	16,411,677	\$ 0.288	75,028

(a) Amounts represent outstanding options, restricted stock units and deferred (“phantom”) shares as of March 31, 2008.

(b) Not included in the calculation of weighted average exercise price are 3,576,507 restricted stock units.

(c) Amounts represent shares remaining available for future awards under our 2003 Stock Option, Deferred Stock and Restricted Stock Plan.

(1) Consists of awards granted under the 2003 Stock Option, Deferred Stock and Restricted Stock Plan.

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## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information relating to the ownership of Common Stock by (i) each person known by us to be the beneficial owner of more than five percent of the outstanding shares of our Common Stock, (ii) each of our directors, (iii) each of our named executive officers, and (iv) all of our executive officers and directors as a group. Unless otherwise indicated, the information relates to these persons, beneficial ownership as of April 25, 2008. Except as may be indicated in the footnotes to the table and subject to applicable community property laws, each person has the sole voting and investment power with respect to the shares owned.

Name of Beneficial Owner (1)	Common Stock Beneficially Owned(2)		Percentage of Common Stock (3)
Michael K. Wilhelm	12,134,671	(4)	9.6%
John N. Fermanis	1,580,000	(5)	1.3%
Hal N. Siegel, Ph.D.	1,956,000	(6)	1.7%
Lance K. Gordon, Ph.D.	1,000,000	(7)	*%
Robert J. Hariri, M.D., Ph.D.	3,210,545	(8)	2.7%
Theodore E. Staahl, M.D.	3,796,261	(9)	3.3%
Jerome B. Zeldis, M.D., Ph.D.	250,000	(10)	*
Mark Witten, Ph.D. 1501 N. Campbell Avenue Room 3352 Tucson, AZ 85724	6,660,778	(11)	5.7%
All executive officers and directors as a group (6 persons)	23,677,477	(12)	17.8%

\* Less than 1 percent.

(1) Except as otherwise indicated, the address of each beneficial owner is c/o IR BioSciences Holdings, Inc., 8767 E. Via De Ventura, Suite 190, Scottsdale, Arizona 85258.

(2) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In general, a person who has voting power or investment power with respect to securities is treated as beneficial owner of those securities. Common shares subject to options and warrants currently exercisable or exercisable within 60 days of April 25, 2008 count as outstanding for computing the percentage beneficially owned by the person holding these options or warrants.

(3) Percentages are based on 116,017,539 shares of Common Stock outstanding as of April 25, 2008.

(4) Includes 1,870,141 shares of common stock underlying warrants



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Number of Warrants	Exercise Price (\$)	Expiration Date
448,980	0.125	3/18/09
250,000	0.250	4/13/09
250,000	0.250	4/13/09
75,000	0.250	5/17/09
5,000	2.000	7/22/09
80,000	0.050	7/22/09
1,550	2.000	8/18/09
20,800	0.090	8/18/09
358,000	0.500	10/29/09
80,811	0.300	5/20/10
300,000	0.250	7/14/11
1,870,141		

and 8,150,000 shares of common stock underlying options

Number of Options	Strike Price (\$)	Expiration Date
150,000	0.440	5/19/10
103,030	0.330	8/9/10
1,896,970	0.231	7/13/11
454,545	0.220	9/12/11
3,045,455	0.220	9/12/11
2,000,000	0.166	7/31/17
500,000	0.195	7/31/17
8,150,000		

that are currently exercisable or exercisable within 60 days of April 25, 2008.

Includes 461,602 shares of common stock and 61,000 common stock purchase warrants held by immediate family members that are currently exercisable or exercisable within 60 days of April 25, 2008.

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Number of Warrants	Exercise Price (\$)	Expiration Date
20,000	0.25	7/30/09
20,000	0.125	12/31/08
20,000	0.125	12/31/08
1,000	1.00	12/31/08
61,000		

(5) Includes 80,000 shares of common stock underlying warrants

Number of Warrants	Exercise Price (\$)	Expiration Date
5,000	0.25	5/6/09
12,500	0.308	5/6/10
62,500	0.158	7/14/11
80,000		

and 1,400,000 shares of common stock underlying options

Number of Options	Strike Price (\$)	Expiration Date
900,000	0.166	7/31/17
500,000	0.195	7/31/17
1,400,000		

that are currently exercisable or exercisable within 60 days of April 25, 2008.

(6) Includes 46,000 shares of common stock underlying warrants

Number of Warrants	Exercise Price (\$)	Expiration Date
5,000	0.25	5/6/09
9,000	0.125	6/30/08
9,000	0.125	9/30/08
9,000	0.125	12/31/08
9,000	0.125	3/31/09
2,500	1.00	6/30/09
2,500	1.00	9/30/09
46,000		

and 1,800,000 shares of common stock underlying options

Number of Options	Strike Price (\$)	Expiration Date
200,000	0.20	10/22/11
1,100,000	0.166	7/31/17
500,000		