

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO
(Rule 14d-100)
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR
13(e)(1) OF THE SECURITIES EXCHANGE ACT OF 1934

iBio, Inc.

(Name of Subject Company (Issuer) and Filing Person (Offeror))

Common Stock, Par Value \$.001 per share
(Title of Class of Securities)

451033203
(CUSIP Number of Class of Securities)

Robert B. Kay
Chief Executive Officer
600 Madison Avenue, Suite 1601 New York, NY 10022-1737
(302) 355-0650

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Person)

CALCULATION OF FILING FEE:

Transaction valuation	Amount of filing fee
U.S. \$279,608 (1)	U.S. \$33.89 (2)

- (1) For purpose of calculating the amount of filing fee only in accordance with Rule 0-11 under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). The calculation of the Transaction Valuation assumes that all outstanding options to purchase shares of iBio, Inc. common stock that may be eligible for exchange in the offer will be exchanged pursuant to the offer. These options cover an aggregate of 1,311,332 shares of iBio, Inc. common stock and have an aggregate value of \$279,608 as of January 18, 2019, calculated using the Black-Scholes option pricing model.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Exchange Act equals \$121.20 per \$1,000,000 of the aggregate amount of the Transaction Valuation. The Transaction Valuation set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose.

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

Amount Previously Paid: N/A

Filing Party: N/A

Form or Registration Number: N/A

Date Filed: N/A

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of a tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
- Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

Item 1. Summary Term Sheet

The information set forth under “Summary Term Sheet” in the Offer to Exchange Certain Outstanding Options to Purchase Common Stock for a Number of Replacement Options Exercisable at a Lower Price, dated January 22, 2019 (the “Offer to Exchange”), attached hereto as Exhibit (a)(1)(i), is incorporated herein by reference.

Item 2. Subject Company Information

(a) **Name and address.** iBio, Inc., a Delaware corporation (“iBio” or the “Company”), is the issuer of the securities subject to the Offer to Exchange. The Company’s principal executive offices are located at 600 Madison Avenue, Suite 1601 New York, NY 10022-1737, and the telephone number of its principal executive offices is (302) 355-0650. The information set forth in the Offer to Exchange under “This Offer – Section 9 (Information Concerning iBio)” is incorporated herein by reference.

(b) **Securities.** This Tender Offer Statement on Schedule TO relates to an offer by the Company to exchange options to purchase shares of the Company’s common stock, par value \$0.001 per share, with exercise prices ranging from \$1.70 to \$30.70 per share held by employees and non-employee directors, for replacement options to purchase a lesser number of shares of common stock at a lower price to be granted under the 2018 Omnibus Equity Incentive Plan (the “2018 Plan”), upon the terms and subject to the conditions set forth in the Offer to Exchange, and the related Terms of Election (the “Terms of Election” and, together with the Offer to Exchange, as they may be amended from time to time, the “Option Exchange”), attached hereto as Exhibit (a)(1)(i) and Exhibit (a)(1)(iv), respectively. Each option holder that elects to exchange options pursuant to the Option Exchange must submit his or her election via email or submit a paper election form (the “Election Form”) by facsimile, Federal Express (or similar delivery service), or a hand delivery service and agree to the Terms of Election and will be granted replacement options to purchase a lesser number of shares of common stock. As of January 18, 2019, there were outstanding eligible options to purchase an aggregate of approximately 1,311,332 shares of the Company’s common stock.

The information set forth in the Offer to Exchange under “Summary Term Sheet,” “This Offer – Section 1 (Eligibility; Number of Options; Offer Expiration Date),” “This Offer – Section 5 (Acceptance of Options for Exchange; Grant of Replacement Options),” and “This Offer – Section 8 (Source and Amount of Consideration; Terms of Replacement Options)” is incorporated herein by reference.

(c) **Trading market and price.** The information set forth in the Offer to Exchange under “This Offer – Section 7 (Price Range of Common Stock Underlying the Options)” is incorporated herein by reference.

Item 3. Identity and Background of Filing Person

(a) **Name and Address.** The Company is both the subject company and the filing person. The Information set forth under Item 2(a) above and in the Offer to Exchange under “This Offer – Section 10 (Interests of Directors, Officers and Affiliates; Transactions and Arrangements Concerning our Securities)” is incorporated herein by reference.

Item 4. Terms of the Transaction

(a) **Material Terms.** The information set forth in the Offer to Exchange under “Summary Term Sheet” and the sections under “This Offer” titled “Section 1 (Eligibility; Number of Options; Offer Expiration Date),” “Section 3 (Procedures for Electing to Exchange Options),” “Section 4 (Withdrawal Rights),” “Section 5 (Acceptance of Options for Exchange; Grant of Replacement Options),” “Section 6 (Conditions of this Offer),” “Section 7 (Price Range of Common Stock Underlying the Options),” “Section 8 (Source and Amount of Consideration; Terms of Replacement Options),” “Section 11 (Status of Options Acquired by Us in this Offer; Accounting Consequences of this Offer),” “Section 12 (Agreements; Legal Matters; Regulatory Approvals),” “Section 13 (Material U.S. Federal Income Tax Consequences),” and “Section 14 (Extension of Offer; Termination; Amendment)” is incorporated by reference.

(b) **Purchases.** The information set forth in the Offer to Exchange under “This Offer – Section 10 (Interests of Directors, Officers and Affiliates; Transactions and Arrangements Concerning our Securities)” is incorporated herein by reference.

Item 5. Past Contracts, Negotiations and Agreements

(e) **Agreements involving the subject company's securities.** The information set forth in the Offer to Exchange under "This Offer – Section 10 (Interests of Directors, Officers and Affiliates; Transactions and Arrangements Concerning our Securities)" is incorporated herein by reference. The terms and conditions of the 2018 Plan are incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals

(a) **Purposes.** The information set forth in the Offer to Exchange under "Summary Term Sheet" and "This Offer – Section 2 (Purpose of this Offer)" is incorporated herein by reference.

(b) **Use of securities acquired.** The information set forth in the Offer to Exchange under "This Offer – Section 5 (Acceptance of Options for Exchange; Grant of Replacement Options)," and "This Offer – Section 11 (Status of Options Acquired by Us in this Offer; Accounting Consequences of this Offer)" is incorporated herein by reference.

(c) **Plans.** The information set forth in the Offer to Exchange under "This Offer – Section 2 (Purpose of this Offer)" is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration

(a) **Source of funds.** The information set forth in the Offer to Exchange under "This Offer – Section 8 (Source and Amount of Consideration; Terms of Replacement Options)," and "This Offer – Section 15 (Fees and Expenses)" is incorporated herein by reference.

(b) **Conditions.** The information set forth in the Offer to Exchange under "This Offer – Section 6 (Conditions of this Offer)" is incorporated herein by reference. There are no alternative financing arrangements or alternative financing plans in the event the primary financing plans fall through for this Offer.

(d) **Borrowed Funds.** Not applicable.

Item 8. Interest in Securities of the Subject Company

(a) **Securities ownership.** The information set forth in the Offer to Exchange under "This Offer – Section 10 (Interests of Directors, Officers and Affiliates; Transactions and Arrangements Concerning our Securities)" is incorporated herein by reference.

(b) **Securities transactions.** The information set forth in the Offer to Exchange under "This Offer – Section 10 (Interests of Directors, Officers and Affiliates; Transactions and Arrangements Concerning our Securities)" is incorporated herein by reference.

Item 9. Persons/Assets, Retained, Employed, Compensated or Used

(a) **Solicitations or recommendations.** Not applicable.

Item 10. Financial Statements

(a) **Financial information.** The information set forth in the Offer to Exchange under "This Offer – Section 9 (Information Concerning iBio)," and "This Offer – Section 16 (Additional Information)" is incorporated herein by reference. Our Annual Report on Form 10-K for the fiscal year ended June 30, 2018, filed with the Securities and Exchange Commission (the "SEC") on September 18, 2018, including the financial information set forth in Item 8 – Financial Statements and Supplementary Data of our Annual Report on Form 10-K, and our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2018, filed with the SEC on November 13, 2018, including the financial information set forth in Item 1 – Financial Statements therein is incorporated herein by reference. Our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q are available electronically on the SEC's website at <https://www.sec.gov>. We also make our annual, quarterly and current reports, proxy statements and other information free of charge on our investor website, <https://ir.ibioinc.com/sec-filings>, as soon as reasonably practicable after we electronically file these materials with, or furnish them to, the SEC. We use our website as a channel of distribution for material company information. Important information, including financial information, analyst presentations, financial news releases, and other material information about us is routinely posted on and accessible at <https://ir.ibioinc.com/>.

(b) **Pro forma information.** Not applicable.

Item 11. Additional Information

(a) **Agreements, regulatory requirements and legal proceedings.** The Information set forth in the Offer to Exchange under “Risk Factors,” “This Offer – Section 10 (Interests of Directors, Officers and Affiliates; Transactions and Arrangements Concerning our Securities),” and “This Offer – Section 12 (Agreements; Legal Matters; Regulatory Approvals)” is incorporated herein by reference.

(c) **Other material information.** Not applicable.

Item 12. Exhibits

Exhibit

Number

Description

<u>(a)(1)(i)</u>	<u>Offer to Exchange Certain Outstanding Options to Purchase Common Stock for a Number of Replacement Options Exercisable at a Lower Price, dated January 22, 2019</u>
<u>(a)(1)(ii)</u>	<u>Communication to All Eligible Exchange Option Holders from iBio, Inc.</u>
<u>(a)(1)(iii)</u>	<u>Election Form</u>
<u>(a)(1)(iv)</u>	<u>Form of Terms of Election</u>
(a)(2)	Not applicable
(a)(3)	Not applicable
(a)(4)	Not applicable
(a)(5)	Not applicable
(b)	Not applicable
<u>(d)(1)</u>	<u>Form of Award Agreement under the 2018 Omnibus Equity Incentive Plan</u>
<u>(d)(2)</u>	<u>Form of Stock Option Grant Notice under the 2018 Omnibus Equity Incentive Plan</u>
<u>(d)(3)</u>	<u>2018 Omnibus Equity Incentive Plan filed as Appendix A on Form DEF 14A filed with the SEC on November 19, 2018, incorporated herein by reference</u>
<u>(d)(4)</u>	<u>Offer Letter dated December 30, 2016, between James P. Mullaney and iBio, Inc. filed as Exhibit 10.1 on Form 8-K filed with the SEC on March 6, 2017, incorporated herein by reference</u>
(g)	Not applicable
(h)	Not applicable

Item 13. Information Required by Schedule 13E-3. Not applicable.

IBIO, INC.

OFFER TO EXCHANGE CERTAIN OUTSTANDING OPTIONS
TO PURCHASE COMMON STOCK
FOR A NUMBER OF REPLACEMENT OPTIONS EXERCISABLE AT A LOWER PRICE

THIS OFFER AND WITHDRAWAL RIGHTS EXPIRE
AT 5:00 P.M. EASTERN TIME ON FEBRUARY 20, 2019
UNLESS THIS OFFER IS EXTENDED

iBio, Inc., which is sometimes referred to herein as the “Company,” “iBio,” “our,” “us,” or “we” is offering eligible employees and non-employee directors the opportunity to exchange certain outstanding options to purchase shares of our common stock for new options covering a lesser number of shares of our common stock exercisable at a lower price (“Replacement Options”), calculated in accordance with specified exchange ratios. We expect to grant the Replacement Options on the date on which we cancel the options accepted for exchange, which will be on the completion date of this offer. We are making this offer (“Offer”) upon the terms, and subject to the conditions, set forth in this Offer to Exchange Certain Outstanding Options to Purchase Common Stock for a Number of Replacement Options Exercisable at a Lower Price (this “Offer to Exchange”) and in the related Terms of Election (the “Terms of Election” and, together with this Offer to Exchange, as they may be amended from time to time, the “Option Exchange”).

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SUMMARY TERM SHEET

1. **Eligibility.** All of iBio's outstanding stock options have exercise prices that are higher than the current market price of its Common Stock (such options defined hereafter as "Underwater Options"). As a result, all options issued by iBio to eligible employees and non-employee directors ("Eligible Option Holders") prior to the date hereof under its 2008 Omnibus Equity Incentive Plan (the "2008 Plan") are eligible options and may be exchanged in the Option Exchange ("Eligible Exchange Options").

Options that expire pursuant to their terms prior to the completion of the Option Exchange are forfeited and not eligible to be exchanged for Replacement Options.

You are eligible to participate in the Option Exchange only if you are:

- An employee who holds Eligible Exchange Options and who is employed by us, or one of our subsidiaries, at the time of commencement of the Option Exchange on January 22, 2019 and who continues to be an employee and hold such Eligible Exchange Options through the date on which Replacement Options are granted at the conclusion of the Option Exchange; or
- A non-employee director who holds Eligible Exchange Options and is serving as a director at the time of commencement of the Option Exchange on January 22, 2019, and who continues to serve as a director and hold such Eligible Exchange Options through the date on which Replacement Options are granted at the conclusion of the Option Exchange.

The outstanding options that you hold under our existing equity incentive plan give you the right to purchase shares of our common stock once those options vest and you exercise those options by paying the applicable exercise price (and satisfying any applicable tax withholding obligations). Thus, when we use the term "option" in this Offer to Exchange, we refer to the actual options you hold to purchase shares of our common stock and not the shares of our common stock underlying those options. (See Section 1 of this Offer to Exchange entitled "Eligibility; Number of Options; Offer Expiration Date" and Section 5 of this Offer to Exchange entitled "Acceptance of Options for Exchange; Grant of Replacement Options" below for additional information.)

2. **Exchange Ratio.** The exchange ratio is a four-for-three ratio in the Option Exchange for new stock options ("Replacement Options") for all Eligible Option Holders, so that for each four shares of common stock subject to an Underwater Option, the option holder will receive a Replacement Option to purchase three shares under the 2018 Plan. In other words, the maximum Replacement Options available to be issued shall equal 75% of the total Underwater Options eligible for the Exchange and the remaining Underwater Options tendered will be forfeited. Eligible Underwater Options are any options held by Eligible Option Holders that are outstanding under iBio's equity incentive compensation plans that have an exercise price greater than the closing price per share of iBio's Common Stock on the NYSE American on the grant date of the Replacement Options. To participate in the Option Exchange, Eligible Option Holders must exchange all of their eligible Underwater Options for Replacement Options.

3. **Terms of Replacement Options.** We will grant the Replacement Options under the 2018 Omnibus Equity Incentive Plan (the "2018 Plan") on the Replacement Option grant date, which will also be the date on which we cancel the Eligible Exchange Options accepted for exchange. In order to be granted a Replacement Option, you must remain continuously employed by, or serve on the Board of Directors of, iBio or one of our subsidiaries through the Replacement Option grant date. (See Section 8 of the Offer to Exchange entitled "Source and Amount of Consideration; Terms of Replacement Options" below for more information.)

The Replacement Options:

- will have a per-share exercise price equal to the closing price per share of our common stock on the date of grant. The exercise price for the Replacement Options will be set on the grant date of the Replacement Options;
- will have a five-year term beginning with the date of grant and will vest one year after the date of grant. Generally, the Underwater Options have been scheduled to vest over four years following the recipient's employment start date or the date of grant. As of November 19, 2018, approximately 91% of the shares covered by the Underwater Options already were vested. All other terms and conditions of the new stock options will generally be consistent with the terms and conditions of iBio's standard time-vesting stock option grants;

- will be of the same type of options as the surrendered options. In other words, Eligible Option Holders holding nonqualified stock options will receive Replacement Options in the form of nonqualified stock options and Eligible Option Holders holding incentive stock options will receive Replacement Options in the form of incentive stock options; and
- will have the terms and be subject to the conditions as provided for in the 2018 Plan and option award agreement. (See Section 8 of the Offer to Exchange entitled “Source and Amount of Consideration; Terms of Replacement Options”, Section 13 of the Offer to Exchange entitled “Material U.S. Federal Income Tax Consequences” and “Risk Factors” below for additional information.)

Although our Board of Directors has approved this Offer, neither we nor our Board of Directors make any recommendation as to whether you should elect to exchange or refrain from electing to exchange all or any of your Eligible Exchange Options. You must make your own decision regarding whether to elect to exchange all or any of your Eligible Exchange Options.

This Offer is not conditioned upon a minimum aggregate number of Eligible Exchange Options being surrendered for exchange. This Offer is subject to certain conditions which we describe in Section 6 of this Offer to Exchange and the terms described in this Offer. (See Section 6 of the Offer to Exchange entitled “Conditions of this Offer” below for additional information.)

Shares of our common stock are listed on the NYSE AMERICAN under the symbol “IBIO.” On January 18, 2019, the closing price of our common stock on the NYSE AMERICAN was \$0.87 per share. As Replacement Options will be issued with an exercise price not less than the closing price of our common stock on the NYSE AMERICAN on the date of grant, we recommend that you obtain current market quotations for our common stock before deciding whether to elect to exchange your Eligible Exchange Options.

As of January 18, 2019, Eligible Exchange Options outstanding under our existing equity incentive plans were exercisable for approximately 1,311,332 shares of our common stock, or approximately 7.2% of the total shares of our common stock outstanding as of January 18, 2019, which was 18,836,792 shares.

4 . **Process to Participate.** If you wish to participate in this Offer, you must email an electronic Election Form to iBio at esop@ibioinc.com and elect to participate before 5:00 P.M. Eastern Time, on February 20, 2019. If for any reason you are unable to reach iBio by email, or if you would like to submit a paper Election Form, you may submit a paper Election Form by facsimile to (212) 246-8330, or submit a paper Election Form by FedEx (or similar delivery service) or a hand delivery service to 600 Madison Avenue, Suite 1601 New York, NY 10022-1737, but it must be completed, signed and received by 5:00 P.M. Eastern Time, on February 20, 2019. Election submissions that are received after this deadline will not be accepted. In order to submit your election to participate in this Offer, you will be required to acknowledge on your Election Form your agreement to all of the terms and conditions of the Offer to Exchange as set forth in the Offer documents.

Elections submitted by any other means, including United States mail (or other post) are not permitted and will not be accepted by us.

You should direct questions about this Offer and requests for additional copies of this Offer to Exchange and the other Offer documents by emailing esop@ibioinc.com or calling (302) 355-0650, 5 days a week (9:00 a.m. Monday to 5:00 p.m. Friday, Eastern Time).

We are not making this Offer to, nor will we accept any election to exchange options from or on behalf of, option holders in any jurisdiction in which this Offer or the acceptance of any election to exchange options would not be in compliance with the laws of that jurisdiction. However, we may, at our discretion, take any actions necessary or desirable for us to make this Offer to option holders in any such jurisdiction.

IMPORTANT

THIS OPTION EXCHANGE OFFER DOCUMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), OR ANY STATE OR FOREIGN SECURITIES COMMISSION NOR HAS THE SEC OR ANY STATE OR FOREIGN SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THIS EXCHANGE OFFER OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IBIO HAS NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD ELECT TO EXCHANGE OR REFRAIN FROM ELECTING TO EXCHANGE YOUR OPTIONS PURSUANT TO THIS OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR OTHER INFORMATION TO WHICH WE HAVE REFERRED YOU. IBIO HAS NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED TERMS OF ELECTION. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU MUST NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY IBIO.

NOTHING IN THIS DOCUMENT SHALL BE CONSTRUED TO GIVE ANY PERSON THE RIGHT TO REMAIN IN THE EMPLOYMENT OF IBIO OR TO AFFECT OUR RIGHT TO TERMINATE THE EMPLOYMENT OF ANY PERSON AT ANY TIME WITH OR WITHOUT CAUSE TO THE EXTENT PERMITTED UNDER LAW. NOTHING IN THIS DOCUMENT SHOULD BE CONSIDERED A CONTRACT OR GUARANTEE OF WAGES OR COMPENSATION.

IBIO RESERVES THE RIGHT TO AMEND OR TERMINATE THE 2018 PLAN AT ANY TIME, AND THE GRANT OF AN OPTION UNDER THE 2018 PLAN OR THIS OFFER DOES NOT IN ANY WAY OBLIGATE IBIO TO GRANT ADDITIONAL OPTIONS OR OFFER FURTHER OPPORTUNITIES TO PARTICIPATE IN ANY OPTION EXCHANGE IN ANY FUTURE YEAR. THE GRANT OF AN OPTION AND ANY FUTURE OPTIONS GRANTED UNDER THE 2018 PLAN OR IN RELATION TO THIS OFFER IS WHOLLY DISCRETIONARY IN NATURE AND IS NOT TO BE CONSIDERED PART OF ANY NORMAL OR EXPECTED COMPENSATION THAT IS OR WOULD BE SUBJECT TO SEVERANCE, RESIGNATION, REDUNDANCY, TERMINATION OR SIMILAR PAY, OTHER THAN TO THE EXTENT REQUIRED BY LOCAL LAW.

RISK FACTORS

Participation in this Offer involves a number of potential risks and uncertainties, including those described below. This list and the risk factors set forth under the heading entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended June 30, 2018, filed with the SEC, highlight the material risks related to iBio that may impact your decision to participate in this Offer. You should carefully consider these risks and we encourage you to speak with your financial, legal and/or tax advisors before deciding whether to participate in this Offer. In addition, we strongly urge you to read the sections in this Option Exchange discussing the tax consequences of participating in this Offer, as well as the rest of this Option Exchange for a more in-depth discussion of the risks that may apply to you.

This Option Exchange and our SEC reports referred to above include "forward-looking statements" that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. The statements contained in this Option Exchange and our SEC reports referred to above that are not purely historical are forward-looking statements. Forward-looking statements are often identified by the use of words such as, but not limited to, "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "will," "plan," "project," "seek," "should," "target," "will," "would," and similar expressions or variations intended to identify forward-looking statements. These statements are based on the beliefs and assumptions of our management based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 and our Annual Report on Form 10-K for the year ended June 30, 2018. Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

The safe harbor provided in the Private Securities Litigation Reform Act of 1995, by its terms, does not apply to statements made in connection with this Offer.

Risks Related to This Offer

If the price of our common stock increases after the date of grant of the Replacement Options, your greater number of surrendered eligible options might have been worth more than the Replacement Options that you will receive in exchange for them.

Because you will receive Replacement Options covering fewer shares than the Eligible Exchange Options surrendered, your Replacement Options may have less potential for increases in value due to significantly higher iBio stock prices.

The valuation method that we used for establishing the exchange ratios is not a prediction of the future value that might be realized through Eligible Exchange Options or Replacement Options.

Tax effects on holders of incentive stock options who choose to participate.

If the Eligible Exchange Option was designated as an incentive stock option, the Replacement Options will be considered a new grant of an incentive option. An Eligible Option Holder who is granted an incentive stock option will not recognize taxable income at the time of exercise. However, the excess of the acquired stock's fair market value over the exercise price could be subject to the alternative minimum tax in the year of exercise. If stock acquired upon exercise of the incentive stock option is held for a minimum of two years from the date of grant and one year from the date of exercise, the gain or loss (in an amount equal to the difference between the sales price and the exercise price) upon disposition of the stock will be treated as a long-term capital gain or loss, and the Company will not be entitled to any income tax deduction. If the holding period requirements are not met, the tax consequences described above for non-qualified stock options will apply. See Section 13 of this Offer to Exchange entitled "Material U.S. Federal Income Tax Consequences" for more information.

If you are subject to foreign tax laws, even if you are a resident of the United States, there may be tax and social insurance consequences relating to this Offer.

If you are subject to the tax laws of another country, even if you are a resident of the United States, you should be aware that there may be other tax and social insurance consequences that may apply to you. You should be certain to consult your own tax advisors to discuss these consequences.

Risks Related to Our Business and Common Stock

You should carefully review the risk factors contained in our Annual Report on Form 10-K for the year ended June 30, 2018 and also the other information provided in this Option Exchange and the other materials that we have filed with the SEC, before making a decision on whether or not to tender your Eligible Exchange Options. You may access these filings electronically at the SEC's Internet site at <http://www.sec.gov>. In addition, we will provide without charge to you, upon your written or oral request, a copy of any or all of the documents to which we have referred you. See Section 16 of this Offer entitled "Additional Information" for more information regarding reports we file with the SEC and how to obtain copies of or otherwise review these reports. These reports can also be accessed free of charge at <https://ir.ibioinc.com/sec-filings>.

THIS OFFER

1. Eligibility; Number of Options; Offer Expiration Date.

Upon the terms and subject to the conditions of this Option Exchange, we are offering eligible employees and non-employee directors ("Eligible Option Holders") the opportunity to exchange for new options covering a lesser number of shares of our common stock ("Replacement Options"), at a ratio of four-for-three (the "Exchange Ratio"), any options issued by iBio prior to the date hereof that are outstanding under its 2008 Omnibus Equity Incentive Plan (the "2008 Plan") that have an exercise price greater than the closing price per share of iBio's Common Stock on the NYSE American on the grant date of the Replacement Options ("Eligible Exchange Options"), so that for each four shares of common stock subject to an Eligible Exchange Option, the option holder will receive a Replacement Option to purchase three shares under the 2018 Omnibus Equity Incentive Plan (the "2018 Plan"). We will grant the Replacement Options on the date on which we cancel the options accepted for exchange, which will be on the completion date of this offer (the "Replacement Option Grant Date").

You are eligible to participate in the Option Exchange only if you are:

- An employee who holds Eligible Exchange Options and who is employed by us, or one of our subsidiaries, at the time of commencement of the Option Exchange on January 22, 2019, and who continues to be an employee and hold such Eligible Exchange Options through the date on which Replacement Options are granted at the conclusion of the Option Exchange; or
- A non-employee director who holds Eligible Exchange Options and is serving as a director at the time of commencement of the Option Exchange, and who continues to serve as a director and hold such Eligible Exchange Options through the date on which Replacement Options are granted at the conclusion of the Option Exchange.

The outstanding options that you hold give you the right to purchase shares of our common stock once you exercise those options by paying the applicable exercise price of those options (and satisfying any applicable tax withholding obligations). Thus, when we use the term “option” in this Offer, we refer to the actual options you hold to purchase shares of our common stock and not the shares underlying those options.

If you elect to exchange Eligible Exchange Options, you will not be eligible to receive Replacement Options unless you continue to be employed by iBio or any of our subsidiaries through the Replacement Option grant date.

ACCORDINGLY, IF YOU ARE NOT AN ELIGIBLE EMPLOYEE OR NON-EMPLOYEE DIRECTOR OF IBIO OR ANY OF OUR SUBSIDIARIES AS DESCRIBED ABOVE ON THE REPLACEMENT OPTION GRANT DATE, EVEN IF YOU HAD ELECTED TO PARTICIPATE IN THIS OFFER AND HAD TENDERED SOME OR ALL OF YOUR ELIGIBLE EXCHANGE OPTIONS FOR EXCHANGE, YOUR TENDER WILL AUTOMATICALLY BE DEEMED WITHDRAWN AND YOU WILL NOT PARTICIPATE IN THIS OFFER, AND YOU WILL RETAIN YOUR OUTSTANDING ELIGIBLE EXCHANGE OPTIONS IN ACCORDANCE WITH THEIR CURRENT TERMS AND CONDITIONS. IN THE CASE OF A TERMINATION OF YOUR SERVICE, YOU MAY EXERCISE YOUR OUTSTANDING ELIGIBLE EXCHANGE OPTIONS DURING A LIMITED PERIOD OF TIME FOLLOWING THE TERMINATION OF SERVICE IN ACCORDANCE WITH THEIR TERMS TO THE EXTENT THAT THEY ARE VESTED AS OF SUCH TERMINATION OF SERVICE.

If you are eligible to participate in the Option Exchange, you must exchange all of your Eligible Exchange Options for Replacement Options if any are exchanged. No partial exchanges will be permitted. If you have previously exercised a portion of an Eligible Exchange Option grant, only the portion of the Eligible Exchange Option grant which has not yet been exercised will be eligible to be exchanged. Eligible Exchange Options that you choose not to exchange or that we do not accept for exchange will remain outstanding and will retain their existing terms, exercise prices and vesting schedules.

If you properly tender your Eligible Exchange Options and such tendered options are accepted for exchange, the tendered options will be cancelled and, subject to the terms of this Offer, you will be entitled to receive that number of Replacement Options determined using the Exchange Ratio, subject to adjustments for any future stock splits, stock dividends and similar events, in accordance with the terms of the 2018 Plan, the Replacement Option award agreement, and the stock option grant notice. A form of Replacement Option award agreement and stock option grant notice are attached hereto as Exhibit B and Exhibit C, respectively.

Unless prevented by applicable law or regulations, Replacement Options will be granted under the 2018 Plan. The Replacement Options will have the terms and be subject to the conditions as provided for in the 2018 Plan and the Replacement Option award agreement. The Replacement Options will have a new grant date, a new exercise price, a new term, and will cover a fewer number of shares of our common stock than the surrendered Eligible Exchange Options.

The per-share exercise price of the Replacement Options will be the closing price per share of our common stock on the date of grant. The exercise price for the Replacement Options will be set on the grant date of the Replacement Options.

Options that expire pursuant to their terms prior to the completion of the Option Exchange will be forfeited as of the Offer expiration date and will not be eligible to be exchanged for Replacement Options.

The term “Offer expiration date” means 5:00 P.M. Eastern Time on February 20, 2019, unless and until we, in our discretion, extend the period of time during which this Offer will remain open, in which event the term “Offer expiration date” refers to the latest time and date at which this Offer, as so extended, expires. See Section 14 of this Option Exchange entitled “Extension of Offer; Termination; Amendment” for a description of our rights to extend, delay, terminate and amend this Offer. See Section 13 of the Offer to Exchange entitled “Material U.S. Federal Income Tax Consequences” for information concerning the possibility that your Eligible Exchange Options that are incentive stock options will be exchanged for Replacement Options that are treated as non-qualified stock options.

For purposes of this Offer, a “business day” means any day other than a Saturday, a Sunday or a U.S. federal holiday and consists of the time period from 12:01 a.m. through 5:00 P.M., Eastern Time of each such day.

2. Purpose of this Offer.

Since the beginning of our 2017 fiscal year, we have experienced a decline in our stock price that we attribute to a variety of circumstances, primarily and most notably due to the conduct that is the subject of the Company's litigation against its former research and development contractor. Cash compensation for our employees and non-employee directors has been managed conservatively (and maintained below industry levels) to conserve capital until the company achieves its target revenues and profits, so stock options have been and will continue to be an important part of total compensation in order to obtain and retain employees, senior management and board members.

The 30-day trailing average stock price of our common stock as of January 18, 2019 was \$0.78. The weighted average exercise price of our outstanding options is \$12.07.

Primary reasons for implementing the Option Exchange include:

The option exchange offers a reasonable, balanced and meaningful incentive for our employees. As of January 18, 2019, all of the outstanding stock options held by our officers, employees and non-employee directors were Underwater Options. We believe that these Underwater Options no longer represent effective incentives to motivate or help retain many of our employees and non-employee directors. By exchanging significantly underwater stock options for a lesser number of Replacement Options with lower exercise prices, we believe that the Option Exchange will aid both motivation and retention of those persons participating in the Option Exchange, while better aligning the interests of our employees and directors with the interests of our stockholders.

The option exchange will enable us to recapture value from compensation costs that we are already incurring that have very little motivational impact. We believe it is not an efficient use of our resources to recognize compensation expense on options that are not perceived by our employees to provide value. Under applicable accounting rules, we are required to recognize current compensation expense related to these awards, even if these awards are never exercised because they are underwater. By replacing Underwater Options that have relatively little retentive or incentive value with a lesser number of new options with an exercise price equal to the greater of the closing price of our common stock on the grant date for Replacement Options, we can increase both retention and incentive value.

The option exchange will reduce our equity award overhang. Underwater Options are not likely to be exercised, but not only do they have little or no retention value, they also remain part of our total number of outstanding options, or issued overhang, until they are exercised, expire or are cancelled. Because officers, employees and non-employee directors who participate in the Option Exchange will receive a lesser number of Replacement Options in exchange for their surrendered Underwater Options, the number of shares of common stock subject to all outstanding equity awards will be reduced, thereby reducing our issued overhang. At the same time, we will eliminate our most ineffective options that are currently outstanding. Based on the assumptions described herein, if all eligible Underwater Options are exchanged, options to purchase approximately 1,311,332 shares would be surrendered and cancelled, while new options covering approximately 983,499 shares will be granted, resulting in an approximate 25% reduction in our equity award overhang.

The option exchange will decrease pressure for additional grants. If we are unable to conduct a program in which Underwater Options with low incentive value may be exchanged for stock options with higher motivation and retention value, we may find it necessary to issue significant additional stock options or other equity awards to employees above and beyond our ongoing equity grant practices in order to provide renewed incentive value to employees. Any such additional grants would increase our overhang, as well as our compensation expense.

The option exchange will also decrease pressure for increased cash compensation. To offset the reduced retentive power of the Underwater Options, we could instead increase base and target bonus cash compensation. However, significant increases in cash compensation would substantially increase our cash compensation expenses and reduce our cash flow from operations, which could adversely affect our business and operating results. In addition, these increases would not reduce our equity overhang and would not necessarily best align the interests of our employees with those of our shareholders.

THERE IS NO GUARANTEE THAT THE INTENDED BENEFITS OF THE OPTION EXCHANGE WILL BE REALIZED CONSIDERING THE UNPREDICTABILITY OF THE STOCK MARKET.

The price of our common stock may not appreciate over the long term, and your Replacement Options may become underwater after the Offer expiration date. WE CAN PROVIDE NO ASSURANCE AS TO THE PRICE OF OUR COMMON STOCK AT ANY TIME IN THE FUTURE.

We may engage in transactions in the future that could significantly change our structure, ownership, organization or management or the make-up of our Board of Directors and that could significantly affect the price of our stock. If we engage in such a transaction or transactions prior to the date we grant the lesser number of Replacement Options, our stock price could increase (or decrease) and the exercise price of the Replacement Options could be higher (or lower) than the exercise price of Eligible Exchange Options you elect to have cancelled as part of this Offer. The exercise price of any Replacement Options granted to you in return for options you elect to exchange will be at least equal to the fair market value of our common stock on the Replacement Option grant date. You will be at risk of any increase in our stock price during the period prior to the Replacement Option grant date for these and other reasons.

Although we are not currently contemplating a merger or similar transaction that could result in a change in control of our Company, we are reserving the right, in the event of a merger or similar transaction, to take any actions we deem necessary or appropriate to complete a transaction that our Board of Directors believes is in the best interest of our Company and our stockholders. This could include terminating your right to receive Replacement Options under this Offer. If we were to terminate your right to receive Replacement Options under this Offer in connection with such a transaction, your original options will remain outstanding pursuant to their original terms. To obtain detailed change in control provisions governing your current options, you can refer to the 2008 Plan. Your award agreement(s) and certain other agreements between you and iBio may also contain provisions that affect the treatment of your options in the event of a change in control.

Subject to the foregoing, and except as otherwise disclosed in this Option Exchange or in our filings with the SEC that are incorporated by reference, as of the date hereof, we have no plans, proposals or negotiations (although we often consider such matters in the ordinary course of our business and intend to continue to do so in the future) that relate to or would result in:

- (a) any extraordinary transaction, such as a merger, reorganization or liquidation, involving us or our subsidiaries;
- (b) any purchase, sale or transfer of a material amount of our assets or the assets of our subsidiaries;
- (c) any material change in our present dividend rate or policy, or our indebtedness or capitalization;
- (d) any change in our present Board of Directors or management, including, but not limited to, any plans or proposals to change the number or the terms of directors or to change any material term of the employment contract of any executive officer;
- (e) any other material change in our corporate structure or business;
- (f) any class of our equity securities being delisted from a national securities exchange or ceasing to be authorized to be quoted in an automated quotation system operated by a national securities association;
- (g) any class of our equity securities becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act");
- (h) the suspension of our obligation to file reports pursuant to Section 15(d) of the Securities Exchange Act;
- (i) the acquisition by any person of an additional amount of our securities or the disposition of our securities; or
- (j) any changes in our articles of incorporation, bylaws, or other governing instruments or any actions which could impede the acquisition of control of us by any person.

NEITHER WE NOR OUR BOARD OF DIRECTORS MAKES ANY RECOMMENDATION AS TO WHETHER YOU SHOULD ELECT TO EXCHANGE YOUR OPTIONS, NOR HAVE WE AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. YOU ARE URGED TO EVALUATE CAREFULLY ALL OF THE INFORMATION PROVIDED IN CONNECTION WITH THIS OFFER. YOU MUST MAKE YOUR OWN DECISION WHETHER TO ELECT TO EXCHANGE YOUR OPTIONS.

3. Procedures for Electing to Exchange Options.

Proper exchange of options. If you wish to participate in this Offer, you must email an electronic Election Form to iBio at esop@ibioinc.com and elect to participate before 5:00 P.M. Eastern Time, on February 20, 2019. If for any reason you are unable to reach iBio by email, or if you would like to submit a paper Election Form, you may submit a paper Election Form by facsimile to (212) 246-8330, or submit a paper Election Form by FedEx (or similar delivery service) or a hand delivery service to 600 Madison Avenue, Suite 1601 New York, NY 10022-1737, but it must be completed, signed and received by 5:00 P.M. Eastern Time, on February 20, 2019. Election submissions that are received after this deadline will not be accepted. In order to submit your election to participate in this Offer, you will be required to acknowledge on your Election Form your agreement to all of the terms and conditions of the Offer to Exchange as set forth in the Offer documents.

You should direct questions about this Offer and requests for additional copies of this Offer to Exchange and the other Offer documents by emailing esop@ibioinc.com or calling (302) 355-0650, 5 days a week (9:00 a.m. Monday to 5:00 p.m. Friday, Eastern Time).

Confirmation statements for submissions through email may be obtained from iBio after submitting your election. You should print and save a copy of the confirmation for your records.

If your election is received by iBio via facsimile, by FedEx (or similar delivery service), or by a hand delivery service, iBio intends to confirm the receipt of your Election Form within 48 hours of receipt. If you do not receive a confirmation, it is your responsibility to confirm that iBio has received your election and/or any withdrawal.

Only elections that are complete and actually received by iBio by 5:00 P.M. Eastern Time on February 20, 2019 will be accepted. Elections may be submitted only via email, facsimile, FedEx (or similar delivery service), or a hand delivery service. Elections submitted by any other means, including United States mail (or other post), are not permitted and will not be accepted.

We will strictly enforce the offering period, subject only to any extension, which we may grant in our sole discretion.

Our receipt of your election is not by itself an acceptance of your Eligible Exchange Options for exchange. For purposes of this Offer, we will be deemed to have accepted Eligible Exchange Options for exchange that are validly elected to be exchanged and are not properly withdrawn as of the time when we give written notice to the option holders generally of our acceptance of Eligible Exchange Options for exchange. We may issue this notice of acceptance by, email or other form of written communication. Eligible Exchange Options accepted for exchange will be cancelled as of Replacement Option grant date.

If you do not submit your election by 5:00 P.M. Eastern Time on February 20, 2019, then you will not participate in this Offer, and all stock options currently held by you will remain intact at their original exercise price and with their original terms.

IF YOU FAIL TO PROPERLY SUBMIT YOUR ELECTION BY THE DEADLINE, YOU WILL NOT BE PERMITTED TO PARTICIPATE IN THIS OFFER.

Subject to our right to extend, terminate and amend this Offer, we currently expect that we will accept promptly after 5:00 P.M. Eastern Time on the Offer expiration date all properly elected Eligible Exchange Options that have not been validly withdrawn. We will determine, in our sole discretion, all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any Eligible Exchange Options. We reserve the right to reject any election or any Eligible Exchange Option elected to be exchanged that we determine are not in appropriate form or that we determine are unlawful to accept or not timely made. Neither we nor any other person is obligated to give notice of any defects or irregularities in any election, nor will anyone incur any liability for failure to give any notice. No surrender of Eligible Exchange Options will be deemed to have been properly made until all defects or irregularities have been cured by the tendering holder of the Eligible Exchange Options or waived by us. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determination of these matters will be final and binding on all parties. Subject to Rule 13e-4 under the Securities Exchange Act, we also reserve the right to waive any of the conditions of the Offer or any defect or irregularity in any surrender with respect to any particular Eligible Exchange Options or any particular eligible employee.

Our acceptance constitutes an agreement.

Your election to exchange Eligible Exchange Options through the procedures described above constitutes your acceptance of the terms and conditions of this Offer, and will be controlling, absolute and final, subject to your withdrawal rights under the Offer as described in Section 4 of this Offer to Exchange entitled "Withdrawal Rights" and our acceptance of your tendered Eligible Exchange Options in accordance with the Offer as described in Section 5 of the Offer to Exchange entitled "Acceptance of Options for Exchange; Grant of Replacement Options." Our acceptance of your Eligible Exchange Options for exchange will constitute a binding agreement between iBio and you upon the terms and subject to the conditions of this Offer.

4. Withdrawal Rights.

You can only withdraw your tendered options in accordance with the provisions of this Section 4.

You can withdraw your tendered options at any time before 5:00 P.M. Eastern Time on the Offer expiration date, currently scheduled for February 20, 2019. If the Offer expiration date is extended by us, you can withdraw your tendered options at any time until 5:00 P.M. Eastern Time on the Offer expiration date (as extended).

You may withdraw your previously submitted election by submitting an electronic Election Form to esop@ibioinc.com or by submitting a paper Election Form by facsimile to (212) 246-8330 that indicates that you are electing not to exchange your Eligible Exchange Options. You must submit the new election before 5:00 P.M. Eastern Time on the Offer expiration date.

It is your responsibility to confirm that we received your new election indicating the withdrawal of your tendered options before the Offer expiration date. If you elect to withdraw any options, you must withdraw all of your Eligible Exchange Options.

You cannot rescind any withdrawal, and your Eligible Exchange Options will thereafter be deemed not properly elected for exchange for purposes of this Offer unless you properly re-elect to exchange all of your Eligible Exchange Options before the Offer expiration date by following the procedures described in Section 3 of the Offer to Exchange entitled "Procedures for Electing to Exchange Options".

Neither iBio nor any other person is obligated to give notice of any defects or irregularities in any election withdrawal, nor will anyone incur any liability for failure to give any such notice. We will determine, in our discretion, all questions as to the form and validity, including time of receipt, of notices or elections of withdrawal. Subject to any order or decision by a court or arbitrator of competent jurisdiction, our determination of these matters will be final and binding.

AFTER THE DEADLINE TO WITHDRAW OR CHANGE YOUR ELECTION HAS OCCURRED, YOU WILL NOT BE PERMITTED TO WITHDRAW OR CHANGE YOUR ELECTION.

5. Acceptance of Options for Exchange; Grant of Replacement Options.

Upon the terms and subject to the conditions of this Offer, including those conditions listed in Section 6 of the Offer to Exchange entitled "Conditions of this Offer" below, and promptly following the expiration of this Offer, we will accept for exchange and cancel options properly tendered for exchange and not validly withdrawn before the Offer expiration date. Once your Eligible Exchange Options have been accepted for exchange, you will receive a confirmation notice promptly following the expiration of this Offer confirming that your options have been accepted for exchange and cancelled.

If your Eligible Exchange Options are properly elected for exchange and accepted by us, we will cancel your options on the Replacement Option grant date, and you will also be granted Replacement Options on the Replacement Option grant date, which is expected to occur on the Offer expiration date.

If you are no longer an employee or non-employee director of iBio or any of our subsidiaries, whether voluntarily, involuntarily, or for any other reason before the Offer expiration date, you will not be able to participate in this Offer. Also, if you change your place of residence to a country where this Offer is prohibited under local regulations, you will not be able to participate in this Offer. We will use reasonable efforts to avoid a prohibition, but if prohibited by applicable law or regulation on the expiration date of this Offer, you will not be granted Replacement Options, if at all, until all necessary government approvals have been obtained. We will not be obligated to obtain any such governmental approvals, but may attempt to do so. See Section 12 of the Offer to Exchange entitled "Agreements; Legal Matters; Regulatory Approvals."

ACCORDINGLY, IF YOU ARE NOT AN ELIGIBLE EMPLOYEE OR NON-EMPLOYEE DIRECTOR OF IBIO OR ANY OF OUR SUBSIDIARIES AS DESCRIBED ABOVE ON THE OFFER EXPIRATION DATE, EVEN IF YOU HAD ELECTED TO PARTICIPATE IN THIS OFFER AND HAD TENDERED YOUR ELIGIBLE EXCHANGE OPTIONS FOR EXCHANGE, YOUR TENDER WILL AUTOMATICALLY BE DEEMED WITHDRAWN AND YOU WILL NOT PARTICIPATE IN THIS OFFER, AND YOU WILL RETAIN YOUR OUTSTANDING OPTIONS IN ACCORDANCE WITH THEIR CURRENT TERMS AND CONDITIONS. IN THE CASE OF A TERMINATION OF YOUR SERVICE, YOU MAY EXERCISE YOUR OUTSTANDING OPTIONS DURING A LIMITED PERIOD OF TIME FOLLOWING THE TERMINATION OF SERVICE IN ACCORDANCE WITH THEIR TERMS TO THE EXTENT THAT THEY ARE VESTED AS OF SUCH TERMINATION OF SERVICE.

For purposes of this Offer, we will be deemed to have accepted all Eligible Exchange Options that are validly tendered for exchange and not properly withdrawn, when we give written notice to the option holders of our acceptance for exchange of such options; such notice may be given by email or letter. Subject to our rights to extend, terminate and amend this Offer, we expect that you will receive your Replacement Option award agreement as promptly as practicable after the Replacement Option grant date.

6. Conditions of this Offer.

This Offer is not conditioned upon a minimum aggregate number of Eligible Exchange Options being surrendered for exchange.

Notwithstanding any other provision of this Offer, we will not be required to accept any options tendered for exchange, and we may terminate or amend this Offer, or postpone our acceptance and cancellation of any options tendered for exchange, in each case subject to certain limitations, if at any time on or after the date of commencement of the Offer and prior to the Offer expiration date any of the following events has occurred, or in our reasonable judgment, has been determined by us to have occurred, regardless of the circumstances giving rise thereto, other than acts or omissions to act by us:

(a) there shall have been threatened or instituted or be pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly challenges the making of this Offer, the acquisition of some or all of the options tendered for exchange pursuant to this Offer or the issuance of Replacement Options;

(b) there shall have been any action threatened, pending or taken, or approval withheld, or any statute, rule, regulation, judgment, order or injunction threatened, proposed, sought, promulgated, enacted, entered, amended, enforced or deemed to be applicable to this Offer or us, by any court or any authority, agency or tribunal that would or might directly or indirectly:

(i) make the acceptance for exchange of, or issuance of Replacement Options for, some or all of the options tendered for exchange illegal or otherwise restrict or prohibit consummation of this Offer;

(ii) delay or restrict our ability, or render us unable, to accept for exchange or grant Replacement Options for some or all of the options tendered for exchange; or

(iii) materially and adversely affect the business, condition (financial or other), income, operations or prospects of iBio;

(c) a tender or exchange offer with respect to some or all of our common stock, or a merger or acquisition proposal for us, shall have been proposed, announced or made by another person or entity or shall have been publicly disclosed, or we shall have learned that any person, entity or group shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or made a public announcement reflecting an intent to acquire us or any of the assets or securities of us; or

(d) any of the situations described above existed at the time of commencement of this Offer and that situation, in our reasonable judgment, deteriorates materially after commencement of this Offer.

The conditions to this Offer are for our benefit. We may assert them in our discretion regardless of the circumstances giving rise to them before the Offer expiration date, other than acts or omissions by us. We may waive them, in whole or in part, at any time and from time to time prior to the Offer expiration date, in our reasonable discretion, whether or not we waive any other condition to this Offer. Our failure at any time to exercise any of these rights will not be deemed a waiver of any such rights. The waiver of any of these rights with respect to particular facts and circumstances will not be deemed a waiver with respect to any other facts and circumstances. Subject to any order or decision by a court or arbitrator of competent jurisdiction, any determination we make concerning the events described in this Section 6 will be final and binding upon all persons.

7. Price Range of Common Stock Underlying the Options.

Shares of our common stock are listed for trading on the NYSE American under the symbol "IBIO". The following table presents the quarterly high and low closing prices for our common stock as reported by the NYSE American for each quarter within the last three fiscal years and for the first two quarters of the 2018 fiscal year.

FISCAL YEAR	HIGH	LOW
Year Ended June 30, 2019		
First Quarter	\$ 1.00	\$ 0.60
Second Quarter	\$ 1.05	\$ 0.57
Year Ended June 30, 2018		
First Quarter	\$ 4.70	\$ 2.60
Second Quarter	\$ 3.90	\$ 1.40
Third Quarter	\$ 3.50	\$ 1.60
Fourth Quarter	\$ 2.10	\$ 1.08
Year Ended June 30, 2017		
First Quarter	\$ 7.40	\$ 5.50
Second Quarter	\$ 5.50	\$ 3.50
Third Quarter	\$ 5.20	\$ 3.70
Fourth Quarter	\$ 4.50	\$ 3.60
Year Ended June 30, 2016		
First Quarter	\$ 9.50	\$ 6.20
Second Quarter	\$ 7.10	\$ 5.50
Third Quarter	\$ 6.50	\$ 4.50
Fourth Quarter	\$ 7.40	\$ 5.60

AS REPLACEMENT OPTIONS WILL BE ISSUED WITH AN EXERCISE PRICE NOT LESS THAN THE CLOSING PRICE OF OUR COMMON STOCK ON THE NYSE AMERICAN ON THE DATE OF GRANT, WE RECOMMEND THAT YOU OBTAIN CURRENT MARKET QUOTATIONS FOR OUR COMMON STOCK BEFORE DECIDING WHETHER TO ELECT TO EXCHANGE YOUR OPTIONS.

8. Source and Amount of Consideration

Source and Amount of Consideration

We will grant Replacement Options, subject to applicable laws and regulations, in exchange for Eligible Exchange Options properly elected to be exchanged by you and accepted by us for exchange. The number of shares of common stock subject to the Replacement Options will be determined at a ratio of four-for-three, subject to adjustments for any stock splits, stock dividends and similar events affecting the common stock, in accordance with the terms of the 2018 Plan and the Replacement Option award agreement, so that for each four shares of common stock subject to an Eligible Exchange Option, the option holder will receive a Replacement Option to purchase three shares under the 2018 Plan.

The Eligible Exchange Options were issued under the 2008 Plan which became effective on August 12, 2008 and expired by its terms on August 12, 2018. No additional awards may be issued under the 2008 Plan although the 2008 Plan will remain in effect until all awards issued under the 2008 Plan expire, terminate, are exercised or are paid in full in accordance with the 2008 Plan provisions and any award agreement. As of January 18, 2019, Eligible Exchange Options outstanding under the 2008 Plan were exercisable for approximately 1,311,332 shares of our common stock. If 100% of Eligible Exchange Options were to be exchanged and Replacement Options granted in accordance with the exchange ratios set out above, the number of shares underlying such Replacement Options would be approximately 983,499 shares.

SUBJECT TO APPLICABLE LAW, NOTHING IN THIS DOCUMENT SHOULD BE CONSTRUED TO CONFER UPON YOU THE RIGHT TO REMAIN AN EMPLOYEE OF THE COMPANY OR ANY OF ITS SUBSIDIARIES. THE TERMS OF YOUR EMPLOYMENT OR SERVICE WITH US REMAIN UNCHANGED. WE CANNOT GUARANTEE OR PROVIDE YOU WITH ANY ASSURANCE THAT YOU WILL NOT BE SUBJECT TO INVOLUNTARY TERMINATION OR THAT YOU WILL OTHERWISE REMAIN IN OUR EMPLOY OR SERVICE UNTIL THE REPLACEMENT OPTION GRANT DATE OR AFTER THAT DATE.

Terms of Replacement Options

The Option Exchange is structured such that the type of options received by you will remain the same as the surrendered options. In other words, Eligible Option Holders holding nonqualified stock options will receive Replacement Options in the form of nonqualified stock options and Eligible Option Holders holding incentive stock options will receive Replacement Options in the form of incentive stock options. (See "Risk Factors" above and Section 13 of the Offer to Exchange entitled "Material U.S. Federal Income Tax Consequences" for additional information.)

Vesting and Exercise

Replacement Options will have a five-year term beginning with the date of the exchange and would vest one year after the date of grant. Generally, the Underwater Options have been scheduled to vest over four years following the recipient's employment start date or the date of grant, the majority of which are already fully-vested. Some of the recently granted Underwater Options are still unvested, so the Replacement Options may become fully vested at an earlier date than the exchanged Underwater Options. Ability to exercise options following termination of service may be restricted and will be subject to the terms and conditions of the 2018 Plan and the applicable award agreement.

U.S. Federal Income Tax Consequences of Options

You should refer to Section 13 of the Offer to Exchange entitled "Material U.S. Federal Income Tax Consequences" for a discussion of material U.S. federal income tax consequences of the Replacement Options, as well as the consequences of accepting or rejecting this Offer.

Registration of Option Shares

The shares of common stock issuable upon exercise of the Replacement Options have been registered under the Securities Act of 1933, as amended (the "Securities Act of 1933") on a registration statement on Form S-8 filed with the SEC. Unless you are considered an "affiliate" of iBio (as defined under the Securities Act of 1933), you will be able to sell your option shares free of any transfer restrictions. Affiliates may be able to sell their shares under SEC Rule 144 promulgated under the Securities Act of 1933.

iBio, Inc. 2018 Omnibus Equity Incentive Plan

The description of the 2018 Plan set forth herein is only a summary of some of the material provisions of the 2018 Plan, but is not complete. You are encouraged to consult the 2018 Plan and the Replacement Option award agreement for complete information about the terms of the Replacement Options. The 2018 Plan and the form of Replacement Option award agreement are attached hereto as Exhibits A and B.

Purpose

The purpose of the 2018 Plan is to promote the success and enhance the value of the Company by linking the personal interests of the participants to those of the Company's shareholders, and by providing participants with an incentive for outstanding performance. The 2018 Plan is further intended to provide flexibility to the Company in its ability to attract, motivate and retain the services of participants upon whose judgment, interest and special effort the success of the Company is substantially dependent.

Administration

The 2018 Plan will be administered by the Board of Directors of the Company. To the extent consistent with our certificate of incorporation, bylaws and applicable law, our Board of Directors has the authority to grant awards and adopt, amend and repeal the administrative rules, guidelines and practices relating to the 2018 Plan and to interpret the provisions of the 2018 Plan. Pursuant to the terms of the 2018 Plan, our board of directors may delegate its authority under the 2018 Plan to one or more committees, each consisting of one more members of the board of directors.

Stock Subject to 2018 Plan

The total number of shares of common stock reserved under the 2018 Plan is 3,500,000, all of which are available for issuance as incentive stock options under Section 422 of the Code. Subject to the express provisions of the 2018 Plan, if any award granted under the 2018 Plan terminates, expires, or lapses for any reason, or is paid in cash, any stock subject to or surrendered for such award will again be stock available for the grant of an award under the 2018 Plan. In the event that any shares are tendered or withheld to pay the exercise price of an option (for example, through a broker-assisted "cashless" exercise of an option), then the shares so tendered or withheld shall be added to the shares available for grant under the 2018 Plan. In the event that any shares are tendered or withheld to satisfy a tax withholding obligation arising in connection with an award, then the shares so tendered or withheld shall be added to the shares available for grant under the 2018 Plan. Shares subject to Eligible Exchange Options that are exchanged for Replacement Options and cancelled will not be added to the shares available for grant under the 2018 Plan.

Eligibility and Participation

All employees, officers, non-employee directors of, and certain consultants to, iBio or an affiliate, as determined by the Board of Directors, are eligible to participate in the 2018 Plan. In addition, prospective employees, consultants and non-employee directors are eligible to participate in the 2018 Plan but no portion of any such award will vest, become exercisable, be settled or become effective prior to the date on which such individual begins providing services to iBio.

Awards

The following types of awards may be granted pursuant to the 2018 Plan: incentive stock options, nonqualified stock options and restricted stock.

Stock Options. The 2018 Plan permits the granting of (1) options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify. Options granted under the Plan will be non-qualified options if they fail to qualify as incentive options or exceed the annual limit on incentive stock options. Incentive stock options may be granted only to employees of the Company and its subsidiaries. The option exercise price of each incentive stock option will be determined by our board of directors but may not be less than 100% of the fair market value of the common stock on the date of grant (110% of fair market value for employees who are also 10% shareholders). Non-qualified options may be granted to any persons eligible to receive incentive options and to non-employee directors, consultants and advisors. The option exercise price of each non-qualified stock option will be determined by our board of directors but may not be less than 100% of the fair market value of the common stock on the date of grant. Fair market value for these purposes is the closing price (for the primary trading session) of our common stock on the NYSE American on the date of grant.

The term of each option will be fixed by our Board of Directors and may not exceed ten years from the date of grant. Our Board of Directors will determine at what time or times each option may be exercised. Options may be made exercisable in installments and the exercisability of options may be accelerated by our Board of Directors. In general, unless otherwise permitted by our Board of Directors, no option granted under the Plan is transferable by the optionee other than by will or by the laws of descent and distribution, and options may be exercised during the optionee's lifetime only by the optionee, or by the optionee's legal representative or guardian in the case of the optionee's incapacity.

Upon exercise of options, the option exercise price must be paid in full either in cash or by cash equivalents acceptable to our Board of Directors. To the extent permitted under applicable law and provided for in the applicable option agreement or approved by our Board of Directors, in its sole discretion, the exercise price may be paid by delivery (or attestation to the ownership) of shares of common stock that are beneficially owned by the optionee. Additionally, to the extent provided in the applicable option agreement or approved by our Board of Directors, the exercise price may also be delivered to the Company (1) by a broker pursuant to irrevocable instructions to the broker from the optionee or by delivery to the Company of a full recourse promissory note with such other terms and conditions as determined by our Board of Directors or (2) by using a net exercise feature which reduces the number of shares issued to the optionee by the number of shares with a fair market value equal to the exercise price.

To qualify as incentive options, options must meet additional federal tax requirements, including a \$100,000 limit on the value of shares subject to incentive options that first become exercisable by a participant in any one calendar year.

Restricted Stock. The 2018 Plan permits our Board of Directors to award shares of common stock to participants subject to such conditions and restrictions as our Board of Directors may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued service to iBio through a specified restricted period.

Restrictions

The Board of Directors may impose such restrictions on any awards under the 2018 Plan as it may deem advisable, including restrictions under applicable federal securities law, under the requirements of any stock exchange upon which the Company's common stock is then listed and under any blue sky or state securities law applicable to the awards.

Change in Control

To the extent that a change of control occurs in connection with a reorganization and the acquiring or succeeding company fails to assume or substitute substantially equivalent awards, all outstanding shares of restricted stock will either vest and all restrictions on such shares will lapse immediately prior to the occurrence of the change of control or such awards will be cancelled and in lieu thereof the per share price paid to holders of common stock in the reorganization will be paid to the 2018 Plan participants with cancelled restricted stock awards. With respect to outstanding options in the case of a reorganization that constitutes a "change in control," our Board of Directors may take either of the following two actions. Not less than 15 days prior to the occurrence of the reorganization event, our Board of Directors may accelerate the vesting of all options which will remain exercisable for a 15 day period. Alternatively, our Board of Directors may, in its sole discretion cancel the outstanding options and pay or deliver in lieu thereof cash or securities having a value equal to the excess, if any, of (A) the per share price to be paid to holders of common stock in the reorganization event multiplied by the number of shares of common stock subject to the participant's awards over (B) the aggregate exercise price of all such outstanding awards and any applicable tax withholdings, in exchange for the termination of such awards.

Non-Transferability

Unless otherwise determined by the Board of Directors, no award granted under the 2018 Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, otherwise than by will or by the laws of descent and distribution or, if authorized by the Board of Directors, to certain family members in a not-for-value transfer, or, if applicable, until the termination of any restricted or performance period as determined by the Board of Directors.

Adjustment Provisions

Except to the extent provided in an award agreement or otherwise agreed by the participant, the 2018 Plan requires that our Board of Directors make appropriate adjustments to the number of shares of common stock that are subject to the 2018 Plan and to any outstanding awards to reflect stock dividends and distributions, stock splits, recapitalizations, reclassifications, combination of shares, exchange of shares or other increases or decreases in the iBio common stock that is effected without receipt of consideration by iBio, including a reorganization, consolidation or merger. Any adjustment to an incentive stock option shall be made consistent with the requirements of Section 424 of the Code. Further, any adjustments made shall be made consistent with the requirements of Section 409A of the Code.

Clawback

Every award granted under the 2018 Plan is subject to potential forfeiture or recovery to the fullest extent called for by law, any applicable listing standard, or any clawback policy that may be adopted by the Company from time to time, including, without limitation, any clawback policy adopted to comply with the final rules issued by the Securities and Exchange Commission ("SEC") and any listing standards to adopted by the NYSE American pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Amendment, Modification and Termination of 2018 Plan

Our Board of Directors may at any time amend, suspend or terminate the 2018 Plan. No amendment, suspension or termination of the 2018 Plan shall alter or impair the rights or obligations arising under any award previously made under the 2018 Plan unless the consent of the participant has been obtained. An amendment to the 2018 Plan shall be contingent upon approval by the Company's stockholders only to the extent required by applicable law, regulation or rule. As required under the rules of the NYSE American, any amendments that materially change the terms of the 2018 Plan will be subject to approval by our stockholders.

Tax Withholding

Participants in the 2018 Plan are responsible for the payment of any federal, state or local taxes that the Company is required by law to withhold upon the exercise of options or vesting of restricted stock awards. iBio has the right to deduct from any payments due to a participant any federal state or local taxes that are due upon exercise of options or vesting of restricted stock awards. With the prior approval of our Board of Directors, a participant may satisfy the amounts required to be withheld by making payment of such amounts, delivering to the Company shares of common stock that have a fair market value equal to amounts required to be withheld or by authorizing the Company to withhold shares of stock otherwise payable to the participant pursuant to the exercise or vesting.

IMPORTANT NOTE. THE STATEMENTS IN THIS OFFER CONCERNING THE 2018 PLAN AND THE REPLACEMENT OPTIONS ARE MERELY A SUMMARY AND DO NOT PURPORT TO BE COMPLETE. THE STATEMENTS ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, ALL PROVISIONS OF THE 2018 PLAN, WHICH IS ATTACHED HERETO AS EXHIBIT A, THE FORM OF REPLACEMENT OPTION AWARD AGREEMENT, WHICH IS ATTACHED HERETO AS EXHIBIT B, AND THE FORM OF STOCK OPTION GRANT NOTICE, WHICH IS ATTACHED HERETO AS EXHIBIT C.

9. Information Concerning iBio.

iBio, Inc., a Delaware corporation formed on April 17, 2008, is a biotechnology company focused on the development and manufacture of biotherapeutics. We utilize our proprietary technologies and production facilities to provide product development and manufacturing services from the early stages of product selection through regulatory approval and commercial product launch to clients, collaborators and third-party customers as well as developing our own product candidates.

Our principal executive offices are located at 600 Madison Avenue, Suite 1601, New York, NY, and our telephone number is (302) 355-0650. Our principal website address is <https://ibioinc.com/>. Information contained on our website does not constitute part of, and is not incorporated by reference into, this Offer to Exchange.

We have presented below a summary of our consolidated financial data. The following summary consolidated financial data should be read in conjunction with the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2018 and with “Part I. Financial Information” of our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2018, which is incorporated herein by reference. The selected consolidated statements of earnings data for the fiscal years ended June 30, 2018 and June 30, 2017 and the selected consolidated balance sheet data as of June 30, 2018 and June 30, 2017 are derived from our audited consolidated financial statements that are included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2018. The selected consolidated statements of earnings data for the fiscal quarters ended September 30, 2018 and September 30, 2017 and the selected consolidated balance sheet data as of June 30, 2018 and September 30, 2018 are derived from our unaudited condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2018. Our interim results are not necessarily indicative of results for the full fiscal year, and our historical results are not necessarily indicative of the results to be expected in any future period.

iBio, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Loss
(In Thousands, except per share amounts)

	<u>Fiscal Year Ended</u>		<u>Three Months Ended</u>	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Sept 30, 2018</u>	<u>Sept 30, 2017</u>
REVENUES:				
Operating expenses:	\$ 444	\$ 394	45	122
Research and development (related party of \$877 and \$957), net of grant income of \$44 and \$131	3,986	4,117	1,124	985
General and administrative (related party of \$942 and \$775)	10,685	10,551	2,871	2,498
Total operating expenses	<u>14,671</u>	<u>14,668</u>	<u>3,995</u>	<u>3,483</u>
Operating loss	(14,227)	(14,274)	(3,950)	(3,361)
Other income (expense)				
Interest expense (related party of \$1,915 and \$1,928)	(1,915)	(1,929)	(476)	(480)
Interest income	15	39	21	5
Royalty income	19	25	6	9
Total other income (expense)	<u>(1,881)</u>	<u>(1,865)</u>	<u>(449)</u>	<u>(466)</u>
Consolidated net loss	(16,108)	(16,139)	(4,399)	(3,827)
Net loss attributable to noncontrolling interest	3	1,607	1	1
Net loss attributable to iBio, Inc.	(16,105)	(14,532)	(4,398)	(3,826)
Preferred stock dividends	(260)	(90)	(66)	(66)
Net loss available to iBio, Inc.	<u>\$ (16,365)</u>	<u>\$ (14,622)</u>	<u>\$ (4,464)</u>	<u>\$ (3,892)</u>
Comprehensive loss:				
Consolidated net loss	\$ (16,108)	\$ (16,139)	\$ (4,399)	\$ (3,827)
Other comprehensive loss – foreign currency translation adjustments	(1)	-	(1)	-
Comprehensive loss	<u>\$ (16,109)</u>	<u>\$ (16,139)</u>	<u>\$ (4,400)</u>	<u>\$ (3,827)</u>
Loss per common share attributable to iBio, Inc. stockholders – basic and diluted	<u>\$ (1.54)</u>	<u>\$ (1.64)</u>	<u>\$ (0.25)</u>	<u>\$ (0.42)</u>
Weighted-average common shares outstanding – basic and diluted	<u>10,631</u>	<u>8,911</u>	<u>17,894</u>	<u>9,185</u>

Share and per share data have been adjusted for all periods presented to reflect the one-for-ten reverse stock split effective June 8, 2018.

iBio, Inc. and Subsidiaries
Consolidated Balance Sheets
(In Thousands, except share and per share amounts)

	<u>June 30, 2018</u>	<u>September 30, 2018 (unaudited)</u>
Assets		
Current assets:		
Cash	\$ 15,934	\$ 16,010
Accounts receivable – trade	75	119
Prepaid expenses and other current assets	276	206
Total Current Assets	<u>16,285</u>	<u>16,335</u>
Fixed assets, net of accumulated depreciation	25,152	24,981
Intangible assets, net of accumulated amortization	1,620	1,554
Security deposit	26	26
Total Assets	<u>\$ 43,083</u>	<u>\$ 42,896</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable (related party of \$189 and \$87 as of June 30, 2018 and 2017, respectively)	\$ 790	\$ 692
Accrued expenses (related party of \$789 and \$650 as of June 30, 2018 and 2017, respectively)	1,048	1,125
Capital lease obligation - current portion	197	201
Deferred revenue	-	3,018
Total Current Liabilities	<u>2,035</u>	<u>5,036</u>
Capital lease obligation - net of current portion	<u>24,884</u>	<u>24,832</u>
Total Liabilities	<u>26,919</u>	<u>29,868</u>
Commitments and Contingencies		
Equity		
iBio, Inc. Stockholders' Equity:		
Preferred stock - no par value; 1,000,000 shares authorized;		
iBio CMO Preferred Tracking Stock; 1 share authorized, issued and outstanding as of both June 30, 2018 and September 30, 2018	-	-
Series A Convertible Preferred Stock - \$1,000 stated value; 6,300 shares authorized; 6,210 and 5,493 shares issued and outstanding as of June 30, 2018 and September 30, 2018, respectively	-	-
Series B Convertible Preferred Stock - \$1,000 stated value; 5,785 shares authorized; 5,785 shares issued and outstanding as of both June 30, 2018 and September 30, 2018	-	-
Common stock - \$0.001 par value; 275,000,000 shares authorized; 16,040,126 and 18,336,792 shares issued and outstanding as of June 30, 2018 and September 30, 2018, respectively	16	18
Additional paid-in capital	104,408	105,670
Accumulated other comprehensive loss	(30)	(31)
Accumulated deficit	(88,228)	(92,626)
Total iBio, Inc. Stockholders' Equity	<u>16,166</u>	<u>13,031</u>
Noncontrolling interest	(2)	(3)
Total Equity	<u>16,164</u>	<u>13,028</u>
Total Liabilities and Equity	<u>\$ 43,083</u>	<u>\$ 42,896</u>

Share and per share data have been adjusted for all periods presented to reflect the one-for-ten reverse stock split effective June 8, 2018.

Book Value per Share. We have provided book value per share for your reference, which is calculated as Stockholders Equity divided by shares outstanding as of the balance sheet date.

	June 30, 2018	June 30, 2017	June 30, 2016
Book Value per Share:	1.008	1.000	1.115

See “Additional Information” under Section 16 of the Offer to Exchange for instructions on how you can obtain copies of our SEC reports that contain our audited financial statements and unaudited financial data.

10. Interests of Directors, Officers and Affiliates; Transactions and Arrangements Concerning our Securities.

Interests of our Directors, Officers and Affiliates

A list of our current directors and Executive Officers is attached to this Option Exchange as Schedule A.

As of January 18, 2019, our Executive Officers and directors as a group beneficially owned Eligible Exchange Options outstanding under our equity incentive plans to purchase a total of approximately 1,116,000 shares of our common stock. This number represented approximately 85% of all Eligible Exchange Options outstanding under our equity incentive plans as of that date.

The following table illustrates for each person and group specified, as of January 18, 2019, the number of Underwater Options held and the aggregate number of Replacement Options that would be granted under the 2018 Plan pursuant to the Option Exchange assuming that the Option Exchange is implemented as described herein, and all eligible Underwater Options are exchanged in the Option Exchange. Unless otherwise noted, the address of each of the persons set forth below is 600 Madison Avenue, Suite 1601 New York, NY 10022-1737.

Name	Unexercised Options	Exercise Price	Number of Replacement Options
<i>Executive Officers</i>			
Robert Kay	25,000	\$ 2.00	18,750
Robert Kay	25,000	\$ 6.60	18,750
Robert Kay	30,000	\$ 17.30	22,500
Robert Kay	50,000	\$ 30.70	37,500
Robert Kay	50,000	\$ 30.70	37,500
Robert Kay	30,000	\$ 19.60	22,500
Robert Kay	30,000	\$ 11.00	22,500
Robert Kay	30,000	\$ 5.00	22,500
Robert Kay	60,000	\$ 10.00	45,000
Robert Kay	75,000	\$ 17.20	56,250
Robert Kay	30,000	\$ 4.00	22,500
Robert Erwin	25,000	\$ 2.00	18,750
Robert Erwin	25,000	\$ 6.60	18,750
Robert Erwin	30,000	\$ 17.30	22,500
Robert Erwin	30,000	\$ 19.60	22,500
Robert Erwin	30,000	\$ 11.00	22,500
Robert Erwin	30,000	\$ 5.00	22,500
Robert Erwin	60,000	\$ 10.00	45,000
Robert Erwin	75,000	\$ 17.20	56,250
Robert Erwin	30,000	\$ 4.00	22,500
Terence Ryan	10,000	\$ 13.80	7,500
Terence Ryan	10,000	\$ 19.60	7,500
Terence Ryan	10,000	\$ 17.20	7,500
James Mullaney	15,000	\$ 4.00	11,250
Total Non-Executive Officer Director Group	301,000	\$ 9.87(1)	225,750
Total Non-Executive Officer Employee Group	237,750	\$ 13.82(1)	178,312

(1) Weighted average exercise price.

Securities Transactions and Agreements

During the past 60 days, there have been no option grants made by the Company to any directors, executive officers, affiliates or subsidiaries of the Company. In addition, there have been no transactions in options to purchase our common stock or in our common stock that were effected during the past 60 days by iBio, or to our knowledge, by any affiliate of iBio. For more detailed information on the beneficial ownership of our common stock, you can consult our definitive proxy statement for our 2018 annual meeting of shareholders, which we filed with the SEC on Schedule 14A on November 19, 2018.

Agreements between iBio and any executive officer, director or person controlling iBio with respect to any securities of the Company consists of an Employment Agreement with James P. Mullaney.

11. Status of Options Acquired by Us in this Offer; Accounting Consequences of this Offer.

Options we acquire pursuant to this Offer will be cancelled on the Offer expiration date.

We account for share-based payments in accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification 718, Compensation — Stock Compensation (“ASC Topic 718”). Under ASC Topic 718, including the provisions of ASU 2017-09, we expect to recognize incremental compensation expense (or benefit) resulting from the Replacement Options granted in the Option Exchange. We use the Black-Scholes option pricing model to estimate the fair value of all stock options granted to employees and directors and have used that model in constructing the provisions of the Option Exchange.

The incremental compensation cost (benefit) will be measured as the excess (or deficit), if any, of the fair value of each award of Replacement Options granted to participants in exchange for surrendered Eligible Exchange Options, measured as of the date the Replacement Options are granted, over the fair value of the Eligible Exchange Options surrendered in exchange for the Replacement Options, will be measured immediately prior to the exchange. We estimate that the compensation cost (benefit) associated with the Option Exchange, will be approximately \$428,000.

12. Agreements; Legal Matters; Regulatory Approvals.

We are not aware of any license or regulatory permit that appears to be material to our business that might be adversely affected by our exchange of options and grant of Replacement Options as contemplated by this Offer. If any approval or other action by any government or governmental, administrative or regulatory authority or agency, domestic or foreign is required for the acquisition or ownership of our options and a procedure for obtaining such approval is practically available, as contemplated herein, we presently contemplate that we will undertake commercially reasonable steps to obtain such approval or take such other action. We are unable to predict whether we may in the future determine that we are required to delay the acceptance of options or not accept options for exchange pending the outcome of any such matter. We cannot assure you that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to our business. Our obligation under this Offer to accept options tendered for exchange and to grant Replacement Options for options tendered as part of the exchange is subject to conditions, including the conditions described in Section 6 of the Offer to Exchange entitled "Conditions of this Offer".

13. Material U.S. Federal Income Tax Consequences.

CIRCULAR 230 DISCLAIMER: THE FOLLOWING DISCLAIMER IS PROVIDED IN ACCORDANCE WITH THE INTERNAL REVENUE SERVICE'S CIRCULAR 230 (21 C.F.R. PART 10). THIS ADVICE IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY YOU, FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON YOU. YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of the material U.S. federal income tax consequences of the exchange of eligible options for Replacement Options pursuant to the Offer for those eligible employees and non-employee directors subject to U.S. federal income tax. This discussion is based on the United States Internal Revenue Code of 1986, as amended, its legislative history, treasury regulations promulgated thereunder, and administrative and judicial interpretations as of the date of this Offer to Exchange, all of which are subject to change, possibly on a retroactive basis. This summary does not discuss all of the tax consequences that may be relevant to you in light of your particular circumstances, nor is it intended to be applicable in all respects to all categories of eligible employees. This summary does not address applicable state or local taxes to which you may be subject.

If you are a citizen or resident of, or are otherwise subject to the tax laws of, another country, or change your residence or citizenship during the term of this Offer, the information contained in this discussion may not be applicable to you. You are strongly advised to seek appropriate professional advice as to how the tax or other laws in the United States apply to your specific situation.

Based on U.S. federal income tax laws in effect on January 18, 2019, the Option Exchange should be treated as a non-taxable exchange for U.S. federal income tax purposes, and we and our participating Eligible Option Holders should recognize no income for U.S. federal income tax purposes upon the surrender of Underwater Options and grant of Replacement Options.

Upon exercise of a Replacement Option that is a NQSO, the Eligible Option Holder will recognize ordinary taxable income in an amount equal to the difference between the exercise price paid and the fair market value of the stock on the date of exercise. Subject to the deduction limitations of Section 162(m) of the Code, the Company will be entitled to a concurrent income tax deduction equal to the ordinary income recognized by the Eligible Option Holder.

An Eligible Option Holder who is granted an ISO will not recognize taxable income at the time of exercise. However, the excess of the acquired stock's fair market value over the exercise price could be subject to the alternative minimum tax in the year of exercise. If stock acquired upon exercise of the ISO is held for a minimum of two years from the date of grant and one year from the date of exercise, the gain or loss (in an amount equal to the difference between the sales price and the exercise price) upon disposition of the stock will be treated as a long-term capital gain or loss, and the Company will not be entitled to any income tax deduction. If the holding period requirements are not met, the tax consequences described above for NQSOs will apply.

IF YOU RESIDE OUTSIDE THE UNITED STATES THE INFORMATION CONTAINED IN THIS SECTION MAY NOT BE APPLICABLE TO YOU. YOU ARE ADVISED TO CONSULT WITH AN APPROPRIATE PROFESSIONAL ADVISOR AS TO HOW LOCAL TAX OR OTHER LAWS OF YOUR COUNTRY OF RESIDENCE APPLY TO YOUR SPECIFIC SITUATION.

PLEASE NOTE THAT TAX LAWS CHANGE FREQUENTLY AND VARY WITH INDIVIDUAL CIRCUMSTANCES AND INDIVIDUAL FOREIGN JURISDICTIONS. PLEASE CONSULT A TAX ADVISOR TO DETERMINE THE TAX CONSIDERATIONS RELEVANT TO YOUR PARTICIPATION IN THIS OFFER.

14. Extension of Offer; Termination; Amendment.

We expressly reserve the right, in our discretion, at any time and from time to time, and regardless of whether or not any event set forth in Section 6 of the Offer to Exchange entitled “Conditions of this Offer” has occurred or is deemed by us to have occurred, and regardless whether any such extension will cause Eligible Exchange Options that are incentive stock options to be replaced with Replacement Options that will be treated as nonqualified stock options, to extend the period of time during which this Offer is open, and thereby delay the acceptance for exchange of any options, by giving oral or written notice of such extension to the option holders eligible to participate in the exchange or making a public announcement thereof.

We also expressly reserve the right, in our reasonable judgment, before the Offer expiration date, to terminate or amend this Offer and to postpone our acceptance and cancellation of any options elected for exchange upon the occurrence of any of the conditions specified in Section 6 by giving oral or written notice of such termination, amendment or postponement to the option holders eligible to participate in the exchange and making a public announcement thereof. We will return the options elected for exchange promptly after termination or withdrawal of the Offer to Exchange.

If we materially change the terms of this Offer or the information concerning this Offer, or if we waive a material condition of this Offer, we may extend this Offer. Except for a change in price or a change in percentage of securities sought, the amount of time by which we would extend this Offer following a material change in the terms of this Offer or information concerning this Offer will depend on the facts and circumstances, including the relative materiality of such terms or information. If we decide to take any of the following actions, we will notify you of such action in writing after the date of such notice:

- (a) we increase or decrease the amount of consideration offered for the options;
- (b) we decrease the number of options eligible to be elected for exchange in this Offer; or
- (c) we increase the number of options eligible to be elected for exchange in this Offer;

and if this Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth U.S. business day from, and including, the date that notice of such increase or decrease is first published, sent or given in the manner specified in this Section 14 of this Offer, we will extend this Offer so that this Offer is open at least ten U.S. business days following the giving of notice.

If we extend the period of time during which the Offer is open, terminate the Offer to Exchange or otherwise materially revise the Offer, we will file an amendment to the Form TO that we filed on January 22, 2019 with the SEC in connection with this Offer to Exchange to give notice of such extension, termination or change.

15. Fees and Expenses.

We will not pay any fees or commissions to any broker, dealer or other person for soliciting elections to exchange options pursuant to this Offer.

16. Additional Information.

We recommend that, in addition to this Offer to Exchange and the Terms of Election, you review the following materials that we have filed with the SEC before making a decision on whether to elect to exchange your options:

- (a) iBio’s Annual Report on Form 10-K for the period ended June 30, 2018, filed with the SEC on September 18, 2018.
- (b) iBio’s Definitive Proxy Statement for the 2018 Annual Meeting of Stockholders, filed with the SEC on November 19, 2018.

(c) iBio's Quarterly Report on Form 10-Q for the period ended September 30, 2018, filed with the SEC on November 13, 2018.

(d) the description of iBio's common stock included in iBio's Registration Statement on Form S-1, filed with the SEC on May 2, 2018, including any amendments or reports we file or have filed for the purpose of updating that description.

(f) iBio's Tender Offer Statement on Form TO filed with the SEC on January 18, of which this document is a part.

These filings, our other annual, quarterly and current reports, our proxy statements and our other SEC filings may be examined at, and copies may be obtained from, the SEC public reference rooms located at:

100 F Street, N.E.
Washington, D.C. 20549

You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330.

Our SEC filings are also available to the public on the SEC's internet site at <http://www.sec.gov>.

We will also provide, without charge, to each person to whom a copy of this Option Exchange is delivered, upon the written or oral request of any such person, a copy of any or all of the documents to which we have referred you, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests should be directed to:

iBio, Inc.
Attention: Secretary
600 Madison Avenue, Suite 1601
New York, NY 10022-1737

or by telephoning us at (302) 355-0650.

As you read the foregoing documents, you may find some inconsistencies in information from one document to another. If you find inconsistencies between the documents, or between a document and this Option Exchange, you should rely on the statements made in the most recent document.

The information contained in this Option Exchange about iBio should be read together with the information contained in the documents to which we have referred you.

17. Miscellaneous.

This Option Exchange and our SEC reports referred to above include "forward-looking statements." These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue" or the negative of such terms or other comparable terminology. These statements involve known and unknown risks, uncertainties, and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. These factors include, among other things, those listed in our most recently filed report on Form 10-K or Form 10-Q.

The safe harbor provided in the Private Securities Litigation Reform Act of 1995, by its terms, does not apply to statements made in connection with this Offer.

We are not aware of any jurisdiction where the making of this Offer is not in compliance with applicable law. If we become aware of any jurisdiction where the making of this Offer is not in compliance with any valid applicable law, we will make a good faith effort to comply with such law. If, after such good faith effort, we cannot comply with such law, this Offer will not be made to, nor will elections to exchange options be accepted from or on behalf of, the option holders residing in such jurisdiction.

WE HAVE NOT AUTHORIZED ANY PERSON TO MAKE ANY RECOMMENDATION ON OUR BEHALF AS TO WHETHER YOU SHOULD ELECT TO EXCHANGE OR REFRAIN FROM EXCHANGING YOUR OPTIONS PURSUANT TO THIS OFFER. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR OTHER INFORMATION TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO GIVE YOU ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFER OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DOCUMENT OR IN THE RELATED ELECTION FORM. IF ANYONE MAKES ANY RECOMMENDATION OR REPRESENTATION TO YOU OR GIVES YOU ANY INFORMATION, YOU MUST NOT RELY UPON THAT RECOMMENDATION, REPRESENTATION OR INFORMATION AS HAVING BEEN AUTHORIZED BY US.

iBio, Inc.
January 22, 2019

SCHEDULE A

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF IBIO, INC.

The directors and executive officers of iBio and their positions and offices as of January 18, 2019 are set forth in the following table:

<u>NAME</u>	<u>POSITIONS AND OFFICES HELD</u>
Robert B. Kay	Executive Chairman and Chief Executive Officer
Glenn Chang	Director
Arthur Y. Elliott, Ph.D.	Director
Seymour Flug	Director
General (Ret.) James T. Hill	Director
John D. McKey, Jr.	Director
Philip K. Russell, M.D.	Director
Robert L. Erwin	President
James P. Mullaney	Chief Financial Officer
Terence Ryan, Ph.D.	Chief Scientific Officer

The address of each director and executive officer is: c/o iBio, Inc., 600 Madison Avenue, Suite 1601 New York, NY 10022-1737.

Schedule A

Exhibit A

2018 OMNIBUS EQUITY INCENTIVE PLAN

See Exhibit (d)(3)

Exhibit B

Form of Replacement Option Award Agreement

See Exhibit (d)(1)

Exhibit C

Form of Stock Option Grant Notice

See Exhibit (d)(2)

TO ALL ELIGIBLE EXCHANGE OPTION HOLDERS FROM IBIO, INC.

Attached please find an Offer to Exchange Certain Outstanding Options to Purchase Common Stock for a Lesser Number of Replacement Options Exercisable at a Lower Price, dated January 22, 2019 (the "Exchange Offer"). You are receiving this communication because you are eligible to participate in the Exchange Offer and exchange certain outstanding stock options for replacement stock options with modified terms, as described in the attached materials.

Please carefully read all of the attached materials before making any decision to participate in the Exchange Offer. The Exchange Offer expires at 5:00 P.M. Eastern Time on February 20, 2019, unless extended.

If you have any questions regarding the Exchange Offer or your options, please contact James Mullaney at (212) 246-8330 or by email at esop@ibioinc.com.

IBIO, INC.

ELECTION FORM

RE: TENDER OF ELIGIBLE EXCHANGE OPTIONS PURSUANT TO THE OFFER TO EXCHANGE CERTAIN OUTSTANDING OPTIONS TO PURCHASE COMMON STOCK FOR A NUMBER OF REPLACEMENT OPTIONS EXERCISABLE AT A LOWER PRICE

THE OFFER EXPIRES AT 5:00 P.M. EASTERN TIME ON FEBRUARY 20, 2019,
UNLESS THE OFFER IS EXTENDED

Name: _____

Before making your election, please make sure you have received, read and understand the documents that make up this Offer, including: (1) the Offer to Exchange Certain Outstanding Options to Purchase Common Stock for a Number of Replacement Options Exercisable at a Lower Price, dated January 22, 2019, as amended (the “Offer to Exchange”); (2) this Election Form, including the list of your eligible options below; (3) the Terms of Election; (4) the 2018 Omnibus Equity Incentive Plan; and (5) the form of stock option grant notice under the 2018 Plan (collectively, the “Offer Documents”). The Offer is subject to the terms of the Offer Documents as they may be amended. The Offer provides eligible employees and non-employee directors who hold Eligible Exchange Options the opportunity to exchange these options for new replacement options as set forth in Section 1 of the Offer to Exchange entitled “Eligibility; Number of Options; Offer Expiration Date.” This Offer expires at 5:00 P.M. Eastern Time on February 20, 2019, unless extended. Defined terms used in this election form without definition will have the meanings given to such terms in the Offer to Exchange.

You may access the Offer Documents through the U.S. Securities and Exchange Commission’s website at: <http://www.sec.gov>, by emailing esop@ibioinc.com, or by calling (303) 384-1400. Copies will be provided promptly at our expense.

Details on your Eligible Exchange Options are set forth in the table below.

Type	Grant Date	Exercise Price	Total Shares	Shares Vested	Exchange Ratio	Exchange Entire Eligible Option
						<input type="checkbox"/> Yes
						<input type="checkbox"/> No
						<input type="checkbox"/> Yes
						<input type="checkbox"/> No
						<input type="checkbox"/> Yes
						<input type="checkbox"/> No

To elect to exchange or withdraw your Eligible Options, complete the table above. If you do not complete the requested information and clearly mark the applicable box, your attempted election or withdrawal will not be valid.

In accordance with the terms outlined in the Offer Documents, if you elect to exchange your Eligible Exchange Options, you will receive new replacement options as determined in accordance with the Offer Documents using the exchange ratios set forth in the Offer Documents (rounded down to the nearest whole number with respect to each new replacement option on a grant-by-grant basis), as described in Section 1 of the Offer to Exchange entitled “Eligibility; Number of Options; Offer Expiration Date.”

Please note that you may withdraw your election by submitting a new properly completed and signed election form prior to the Offer expiration date, which will be 5:00 P.M. Eastern Time on February 20, 2019, unless we extend the Offer.

BY PARTICIPATING, YOU AGREE TO ALL TERMS AND CONDITIONS OF THE OFFER AS SET FORTH IN THE OFFER DOCUMENTS. YOU WILL LOSE YOUR RIGHTS TO ALL EXCHANGED OPTIONS THAT ARE CANCELLED UNDER THE OFFER AND EXCHANGED FOR NEW REPLACEMENT OPTIONS.

Your signature and submission of this election form indicates that you have read and agreed to the Terms of Election and the Offer to Exchange.

(Signature of Optionee or Authorized Signatory)

(Optionee's Name, please print in full)

Date: _____, 2019

Address: _____

Email address: _____

EMAIL A COPY OF THIS ENTIRE ELECTION FORM TO ESOP@IBIOINC.COM, FAX THIS ENTIRE ELECTION FORM TO (212) 246-8330, OR SUBMIT THIS ENTIRE ELECTION FORM BY FEDERAL EXPRESS (OR SIMILAR DELIVERY SERVICE) OR A HAND DELIVERY SERVICE TO 600 MADISON AVENUE, SUITE 1601 NEW YORK, NY 10022-1737, NO LATER THAN 5:00 P.M. EASTERN TIME ON FEBRUARY 20, 2019.

IBIO, INC.**TERMS OF ELECTION**

BY PARTICIPATING, YOU AGREE TO ALL TERMS OF THE OFFER AS SET FORTH IN THE ATTACHED OFFER TO EXCHANGE CERTAIN OUTSTANDING OPTIONS TO PURCHASE COMMON STOCK FOR A NUMBER OF REPLACEMENT OPTIONS EXERCISABLE AT A LOWER PRICE, DATED JANUARY 22, 2019 (AS IT MAY BE AMENDED FROM TIME TO TIME, THE "OFFER TO EXCHANGE").

If you would like to participate in this Offer, please indicate your election by checking the applicable boxes on the Election Form by 5:00 P.M. Eastern Time on or before February 20, 2019 (unless the Offer is extended).

You may withdraw this election by submitting a new properly completed paper Election Form prior to the Offer expiration date, which will be 5:00 P.M. Eastern Time on February 20, 2019, unless we extend the Offer.

By electing to exchange your Eligible Exchange Options, you understand and agree to all of the following:

1. You hereby agree to (i) accept the grant by iBio of your Eligible Exchange Options indicated on your Election Form, to the extent not previously accepted and (ii) exchange your Eligible Exchange Options indicated on your Election Form for replacement options as determined in accordance with the Offer to Exchange on the terms of the Offer as set forth in the Offer to Exchange of which you hereby acknowledge receipt. Each Eligible Exchange Option indicated on your election will be cancelled on the replacement option grant date. Any replacement options will be granted to you on February 20, 2019, in accordance with the terms of the Offer or, if the Offer is extended, on the expiration date of the extended Offer.

2. The Offer is currently set to expire at 5:00 P.M. Eastern Time on February 20, 2019, unless iBio, in its discretion, extends the period of time during which the Offer will remain open.

3. If you cease to be an active employee or non-employee director of iBio or its subsidiaries before the expiration of the Offer, you will not receive any new replacement options. Instead, you will keep your current Eligible Exchange Options and they can be exercised or will expire in accordance with their terms.

4. Until 5:00 P.M. Eastern Time on February 20, 2019, you will have the right to withdraw or change the election that you have made with respect to all of your Eligible Exchange Options. **HOWEVER, AFTER THAT TIME YOU WILL HAVE NO ABILITY TO CHANGE YOUR ELECTION.** The last properly submitted election received by iBio prior to the expiration of the Offer shall be binding.

5. The tender of your Eligible Exchange Options will constitute your acceptance of all of the terms and conditions of the Offer. Acceptance by iBio of your Eligible Exchange Options pursuant to the Offer will constitute a binding agreement between iBio and you upon the terms and subject to the conditions of the Offer.

6. You are the registered holder of the Eligible Exchange Options tendered hereby, and your name and other information appearing on the election are true and correct.

7. You are not required to tender some or all of your Eligible Exchange options pursuant to the Offer.

8. IBIO CANNOT GIVE YOU LEGAL, TAX OR INVESTMENT ADVICE WITH RESPECT TO THE OFFER AND YOU HAVE BEEN ADVISED TO CONSULT WITH YOUR PERSONAL LEGAL COUNSEL, ACCOUNTANT, FINANCIAL, AND TAX ADVISORS AS TO THE CONSEQUENCES OF PARTICIPATING OR NOT PARTICIPATING IN THE OFFER.

9. Under certain circumstances set forth in the Offer to Exchange, iBio may terminate or amend the Offer and postpone its acceptance of the Eligible Exchange Options you have elected to exchange. Should the Eligible Exchange Options tendered herewith not be accepted for exchange, such options will continue to be governed by their existing terms and conditions.

10. You understand that: (i) the value of any shares of iBio common stock obtained upon exercise of the replacement options granted pursuant to the Offer to Exchange is an extraordinary item which is outside the scope of your employment contract, if any; and (ii) the replacement options and the shares acquired upon exercise are not part of normal or expected compensation for any purpose, including but not limited to purposes of calculating any severance, resignation, dismissal, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

11. You understand that no claim or entitlement to compensation or damages shall arise from forfeiture of the right to participate in the option exchange resulting from termination of your employment with iBio or any of its subsidiaries (for any reason whatsoever and whether or not in breach of local labor laws), and you irrevocably release iBio and its subsidiaries from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, you shall be deemed irrevocably to have waived your entitlement to pursue such claim.

12. Regardless of any action that iBio or its subsidiaries takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits, payment on account or other tax-related withholding related to the Offer to Exchange, the replacement options (“Tax-Related Items”), you understand that the ultimate liability for all Tax-Related Items is and remains your sole responsibility and may exceed the amount actually withheld by iBio or its subsidiaries, if any. You further acknowledge that iBio and/or its subsidiaries (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Offer to Exchange and the replacement options including, but not limited to, the exchange of Eligible Exchange Options, grant, vesting of the replacement options, the issuance of shares of iBio common stock upon vesting of the replacement options or the subsequent sale of shares acquired pursuant to such issuance; and (2) do not commit to and are under no obligation to structure the terms of the Offer to Exchange or new replacement options to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you have become subject to tax in more than one jurisdiction between the date of the grant of the new replacement options and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that iBio and/or any of its subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In that regard, you authorize iBio and/or any of its subsidiaries to withhold all Tax-Related Items legally payable by you pursuant to the terms of your new stock option agreement and the 2018 Omnibus Equity Incentive Plan (the “2018 Plan”).

You understand that none of the officers or employees of iBio, the Board of Directors of iBio or the Compensation Committee of the Board of Directors of iBio is making any recommendation as to whether you should exchange or refrain from exchanging your Eligible Exchange Options, and that you must make your own decision whether to tender your Eligible Exchange Options, taking into account your own personal circumstances and preferences. You understand that the new replacement options may decline in value. You further understand that past and current market prices of iBio common stock may provide little or no basis for predicting what the market price of iBio common stock will be in the event you elect to exchange your Eligible Exchange Options in accordance with the terms of this offer or at any other time in the future.

This Agreement does not constitute the Offer. The full terms of the Offer are described in (1) the Offer to Exchange; (2) these Terms of Election; (3) the 2018 Plan and (4) the form of stock option grant notice under the 2018 Plan.

IBIO, INC.

STOCK OPTION AWARD AGREEMENT
UNDER THE 2018 OMNIBUS EQUITY INCENTIVE PLAN

Pursuant to this Stock Option Award Agreement (this “Agreement”) under the iBio, Inc. 2018 Omnibus Equity Incentive Plan (the “Plan”) and the related Stock Option Grant Notice (the “Grant Notice”) to which this Agreement is attached, iBio, Inc., a Delaware corporation (the “Company”), has granted the Optionee identified in the Grant Notice an Option to purchase the number of Shares of Stock indicated in the Grant Notice at the Exercise Price indicated in the Grant Notice.

This Option is granted in connection with and in furtherance of the Plan, which is a compensatory benefit plan for the Company’s Employees (including officers), Non-Employee Directors and Consultants. All capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Plan or the Grant Notice.

The details of the Option are as follows:

- 1 . Grant of Option. Subject to the terms of this Agreement and the Plan, the Company grants to Optionee the right and option to purchase from the Company all or any part of the aggregate number of shares of Stock specified in the Grant Notice (“Option”).
- 2 . Exercise Price. The exercise price under this Agreement is the exercise price per share of Stock specified in the Grant Notice, as determined by the Committee, which **shall not** be less than the Fair Market Value of a share of Stock on the Date of Grant.
- 3 . Vesting. Subject to the limitations contained herein, the Option will vest as set forth in the Grant Notice, provided that vesting will cease upon the termination of Optionee’s continuous employment (or in the case of a Non-Employee Director, continuous service).
- 4 . Method of Payment. This Option may be exercised in whole or in part at any time after it vests by delivery of a written notice of exercise (the form of which shall be prescribed by the Company) and payment of the exercise price. The exercise price may be paid in cash, or shares of Stock held for longer than six (6) months (through actual tender or by attestation), or such other method permitted by the Board of Directors (including broker-assisted “cashless exercise” arrangements) and communicated to the Optionee before the date the Optionee exercises the Option.
- 5 . Whole Shares. The Option may only be exercised for whole Shares.
- 6 . Securities Law Compliance. Notwithstanding anything to the contrary contained herein, the Option may not be exercised unless the Shares issuable upon exercise of the Option are then registered under the Securities Act of 1933 or, if such Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act of 1933.
- 7 . Term. The term of the Option commences on the Date of Grant and expires upon the earliest of:
 - (a) the Expiration Date indicated in the Grant Notice;
 - (b) ten (10) years from the Date of Grant;
 - (c) twelve (12) months after the termination of Optionee’s continuous status as an Employee or a Non-Employee Director due to death or Disability; or
 - (d) immediately upon the termination of the Optionee’s continuous status as an Employee or a Non-Employee Director for any other reason.

6. Exercise.

(a) By exercising the Option, Optionee agrees that as a condition to any exercise of Option, and in accordance with Section 11 of the Plan, the Company may require satisfaction of any federal, state, and local tax withholding requirements on any Award under the Plan by: (1) directing the Company to withhold shares of Stock to which the Optionee is entitled pursuant to the Award in an amount necessary to satisfy the Company's applicable federal, state, local or foreign income and employment tax withholding obligations with respect to such Optionee; (2) tendering previously-owned shares of Stock held by the Optionee for six (6) months or longer to satisfy the Company's applicable federal, state, local, or foreign income and employment tax withholding obligations with respect to the Optionee; (3) a broker-assisted "cashless" transaction; or (4) personal check or other cash equivalent acceptable to the Company.

(b) By exercising the Option, Optionee will notify the Company in writing within 15 days after the date of any disqualifying disposition of any of the Shares issued upon exercise of an Incentive Stock Option that occurs within two (2) years after the date of Option grant or within one year after such Shares are issued upon exercise of Option.

7. Nontransferability. The Options granted by this Agreement shall not be transferable by the Optionee or any other person claiming through the Optionee, either voluntarily or involuntarily, except by will or the laws of descent and distribution or as otherwise provided by the Committee pursuant to the Plan.

8. Notices. Any notices provided for in the Option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company, upon delivery by electronic mail, fax or other electronic transmission, addressed to the Optionee's last known address.

9. Administration. This Agreement shall at all times be subject to the terms and conditions of the Plan and the Plan shall in all respects be administered by the Committee in accordance with the terms of and as provided in the Plan. The Board of Directors shall have the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the Board of Directors with respect thereto and to this Agreement shall be final and binding upon the Optionee and the Company. In the event of any conflict between the terms and conditions of this Agreement and the Plan, the provisions of the Plan shall control.

10. Amendment. Except as otherwise provided in the Plan, this Agreement may be amended only by a written agreement executed by the Company and the Optionee. The provisions of this Agreement may not be waived or modified unless such waiver or modification is in writing and signed by a representative of the Board of Directors.

11. Clawback. Pursuant to the Plan, every Award issued pursuant to the Plan is subject to potential forfeiture or "clawback" to the fullest extent called for by applicable federal or state law or any policy of the Company. By accepting this Award, Optionee agrees to be bound by, and comply with, the terms of any such forfeiture or "clawback" provision imposed by applicable federal or state law or prescribed by any policy of the Company.

12. Adjustments. The number of shares of Stock issued to Optionee pursuant to this Agreement shall be adjusted by the Board of Directors pursuant to Section 14.4 of the Plan, in its discretion, in the event of a change in the Company's capital structure.

13. No Right to Continued Employment (or Service). This Agreement shall not be construed to confer upon the Optionee any right to continue employment (or service) with the Company and shall not limit the right of the Company, in its sole and absolute discretion, to terminate Optionee's employment (or service) at any time.

14. No Shareholders Rights. The Optionee will have no voting rights or any other rights as a shareholder of the Company with respect to the Option until the Company issues the stock certificates representing the shares of Stock underlying the Option.

IN WITNESS WHEREOF, the parties hereto have executed this Stock Option Award Agreement as of the _____ day of _____, _____.

COMPANY:

IBIO, INC.,
a Delaware corporation

By: _____

Date signed: _____

The Optionee whose signature appears above:

(a) Acknowledges receipt of the foregoing Option and understands that all rights and liabilities with respect to this Option are set forth in the Stock Option Award Agreement, related Stock Option Grant Notice and the Plan; and

(b) Acknowledges that as of the Date of Grant of this Option, the Option sets forth the entire understanding between the Optionee and the Company and its Affiliates regarding the acquisition of Shares in the Company and supersedes all prior oral and written agreements on that subject with respect to the subject matter described herein.

NONE _____
(Initial)

OTHER _____

**STOCK OPTION GRANT NOTICE
UNDER THE 2018 OMNIBUS EQUITY INCENTIVE PLAN**

iBio, Inc., a Delaware corporation (the “Company”), pursuant to the iBio, Inc. 2018 Omnibus Equity Incentive Plan (the “Plan”), hereby grants to the Optionee named below (the “Optionee”) an Option to purchase the number of Shares set forth below. This Option is subject to all of the terms and conditions set forth in the Plan, along with the other documents attached hereto, which are incorporated herein in their entirety. All capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Optionee:	_____
Date of Grant:	_____
Shares Subject to Option:	_____
Exercise Price Per Share:	_____
Expiration Date:	_____

Incentive Stock Option Nonqualified Stock Option

Vesting: Subject to the provisions contained or incorporated by reference herein, and the Optionee’s continued employment with the Company or any Affiliate (or in the case of a Non-Employee Director, continued service on the Board), this Option shall vest and become exercisable with respect to 100% of the Shares subject to the Option on the vesting date set forth below (the “Vesting Date”). For the avoidance of doubt, prior to such Vesting Date, no portion of the Option shall become vested or exercisable.

Number of Shares	Vesting Date (Date of Earliest Exercise)
_____	_____

In addition, this Option may vest and become exercisable pursuant to the terms set forth in Section 7.2 of the Plan.

Payment of Exercise Price: The exercise price for any Option shall be paid in cash or shares of Stock held for longer than six (6) months (through actual tender or by attestation or such other method permitted by the Committee (including broker-assisted “cashless exercise” arrangements) and communicated to the Optionee before the date the Optionee exercises the Option.

Additional Terms/Acknowledgments: The Optionee acknowledges receipt of, and understands and agrees to, this Grant Notice, the Stock Option Award Agreement attached hereto and the Plan. The Optionee also acknowledges receipt of a prospectus for the Plan. The Optionee further acknowledges that as of the Date of Grant set forth above, this Grant Notice, the Stock Option Award Agreement and the Plan set forth the entire understanding between the Optionee and the Company regarding the acquisition of Stock pursuant to this Option and supersedes all prior oral and written agreements with respect to the subject matter described herein.

IN WITNESS WHEREOF, the Company and the Optionee have duly executed this Grant Notice, and this Grant Notice and the Stock Option Award Agreement immediately following shall be effective as of the Date of Grant set forth above.

IBIO, INC.,
a Delaware corporation

OPTIONEE:

Optionee

Date: _____

Date: _____

Attachments:
Stock Option Award Agreement
Prospectus
2018 Omnibus Equity Incentive Plan
Notice of Exercise

IBIO, INC.
2018 OMNIBUS EQUITY INCENTIVE PLAN

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IBIO, INC.
2018 OMNIBUS EQUITY INCENTIVE PLAN

iBio, Inc. (the “Company”), sets forth herein the terms of its 2018 Omnibus Equity Incentive Plan (the “Plan”) as follows:

1. PURPOSE

The Plan is intended to enhance the Company’s and its Affiliates’ (as defined herein) ability to attract and retain highly qualified officers, directors, key employees, and other persons, and to motivate such officers, directors, key employees, and other persons to serve the Company and its Affiliates and to expend maximum effort to improve the business results and earnings of the Company, by providing to such officers, directors, key employees and other persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides for the grant of stock options and restricted stock in accordance with the terms hereof. Stock options granted under the Plan may be nonqualified stock options or incentive stock options, as provided herein.

It is intended that all awarded restricted stock provided for under this Plan be exempt from Section 409A of the Internal Revenue Code (the “Code”) because it is believed that the Plan does not provide for a deferral of compensation and accordingly that the Plan does not constitute a nonqualified deferred compensation plan within the meaning of Section 409A. The provisions of this Plan shall be interpreted in a manner consistent with this intention, and the provisions of this Plan may be amended, adjusted, assumed or substituted for, converted or otherwise modified if the Plan Administrator determines, in its sole unfettered discretion, that such amendment, adjustment, assumption or substitution, conversion or modification would be required so that the terms and conditions of the restricted stock awarded hereunder do not violate the requirements of Section 409A.

Notwithstanding the foregoing, the Company does not make any representation to the Participant that the stock options and restricted stock awarded pursuant to this Plan are exempt from, or satisfy, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any beneficiary for any tax, additional tax, interest or penalties that the Participant or any beneficiary may incur in the event that any provision of this Plan, or any amendment or modification thereof, or any other action taken with respect thereto, the Plan Administrator determines should not result in a violation of Section 409A, is deemed to violate any of the requirements of Section 409A.

2. DEFINITIONS

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

2.1 “Affiliate” means, with respect to the Company, any company or other trade or business that controls, is controlled by or is under common control with the Company within the meaning of Rule 405 of Regulation C under the Securities Act, including, without limitation, any Subsidiary.

2.2 “Award Agreement” means the stock option agreement, restricted stock agreement or other written agreement between the Company and a Grantee that evidences and sets out the terms and conditions of a Grant.

2.3 “Benefit Arrangement” shall have the meaning set forth in Section 15 hereof.

2.4 “Board” means the Board of Directors of the Company.

2.5 “Cause” means, as determined by the Board and unless otherwise provided in an applicable employment agreement with the Company or an Affiliate, (i) gross negligence or willful misconduct in connection with the performance of duties; (ii) conviction of a criminal offense (other than minor traffic offenses); or (iii) material breach of any term of any employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Service Provider and the Company or an Affiliate.

2.6 “Change of Control” means (i) the dissolution or liquidation of the Company or a merger, consolidation, or reorganization of the Company with one or more other entities in which the Company is not the surviving entity, (ii) a sale of substantially all of the assets of the Company to another person or entity, or (iii) any transaction (including without limitation a merger or reorganization in which the Company is the surviving entity) which results in any person or entity (other than persons who are shareholders or Affiliates at the time the Plan is approved by the Company’s shareholders) owning 50% or more of the combined voting power of all classes of stock of the Company.

2.7 “Code” means the Internal Revenue Code of 1986, as now in effect or as hereafter amended.

2.8 “Committee” means a committee of, and designated from time to time by resolution of, the Board, which shall consist of one or more members of the Board.

2.9 “Company” means iBio, Inc.

2.10 “Disability” means the Grantee is unable to perform each of the essential duties of such Grantee’s position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months; provided, however, that, with respect to rules regarding expiration of an Incentive Stock Option following termination of the Grantee’s Service, Disability shall mean the Grantee is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

2.11 “Effective Date” the date the Plan is approved by the Board.

2.12 “Exchange Act” means the Securities Exchange Act of 1934, as now in effect or as hereafter amended.

2.13 “Fair Market Value” means the value of a share of Stock, determined as follows: if on the Grant Date or other determination date the Stock is listed on an established national or regional stock exchange, is admitted to quotation on The Nasdaq Stock Market, Inc., or is publicly traded on an established securities market, the Fair Market Value of a share of Stock shall be the closing price of the Stock on such exchange or in such market (the highest such closing price if there is more than one such exchange or market) on the Grant Date or such other determination date (or if there is no such reported closing price, the Fair Market Value shall be the mean between the highest bid and lowest asked prices or between the high and low sale prices on such trading day) or, if no sale of Stock is reported for such trading day, on the next preceding day on which any sale shall have been reported. If the Stock is not listed on such an exchange, quoted on such system or traded on such a market, Fair Market Value shall be the value of the Stock as determined by the Board in good faith.

2.14 “Family Member” means a person who is a spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the Grantee, any person sharing the Grantee’s household (other than a tenant or employee), a trust in which any one or more of these persons have more than fifty percent of the beneficial interest, a foundation in which any one or more of these persons (or the Grantee) control the management of assets, and any other entity in which one or more of these persons (or the Grantee) own more than fifty percent of the voting interests; provided, however, that to the extent required by applicable law, the term Family Member shall be limited to a person who is a spouse, child, stepchild, grandchild, parent, stepparent, grandparent, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, of the Grantee or a trust or foundation for the exclusive benefit of any one or more of these persons.

2.15 “Grant” means an award of an Option or Restricted Stock under the Plan.

2.16 “Grant Date” means, as determined by the Board, the latest to occur of (i) the date as of which the Board approves a Grant, (ii) the date on which the recipient of a Grant first becomes eligible to receive a Grant under Section 5 hereof, or (iii) such other date as may be specified by the Board.

2.17 “Grantee” means a person who receives or holds an Option or Restricted Stock under the Plan.

- 2.18 “Incentive Stock Option” means an “incentive stock option” within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted tax statute, as amended from time to time.
- 2.19 “Nonqualified Stock Option” means a stock option that is not an Incentive Stock Option.
- 2.20 “Option” means an option to purchase one or more shares of Stock pursuant to the Plan.
- 2.21 “Option Period” means the period during which Options may be exercised as set forth in Section 7 hereof.
- 2.22 “Option Price” means the purchase price for each share of Stock subject to an Option.
- 2.23 “Other Agreement” shall have the meaning set forth in Section 12 hereof.
- 2.24 “Plan” means this iBio, Inc. 2018 Omnibus Equity Incentive Plan, as same may be amended, revised or terminated from time to time.
- 2.25 “Purchase Price” means the purchase price for each share of Stock pursuant to a Grant of Restricted Stock.
- 2.26 “Reporting Person” means a person who is required to file reports under Section 16(a) of the Exchange Act.
- 2.27 “Restricted Stock” means shares of Stock, awarded to a Grantee pursuant to Section 9 hereof, that are subject to restrictions and to a risk of forfeiture.
- 2.28 “Securities Act” means the Securities Act of 1933, as now in effect or as hereafter amended.
- 2.29 “Service” means service as an employee, officer, director or other Service Provider of the Company or an Affiliate. Unless otherwise stated in the applicable Award Agreement, a Grantee’s change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be an employee, officer, director or other Service Provider of the Company or an Affiliate. Subject to the preceding sentence, whether a termination of Service shall have occurred for purposes of the Plan shall be determined by the Board, which determination shall be final and conclusive.
- 2.30 “Service Provider” means an employee, officer or director of the Company or an Affiliate, or a consultant or adviser to the Company or an Affiliate.
- 2.31 “Stock” means the common stock of the Company, having a par value of \$.001 per share.
- 2.32 “Subsidiary” means any “subsidiary corporation” of the Company within the meaning of Section 424(f) of the Code.
- 2.33 “Ten-Percent Stockholder” means an individual who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding stock of the Company, its parent or any of its subsidiaries. In determining stock ownership, the attribution rules of section 424(d) of the Code shall be applied.

3. ADMINISTRATION OF THE PLAN

3.1 Board.

The Board shall have such powers and authorities related to the administration of the Plan as are consistent with the Company’s certificate of incorporation and by-laws and applicable law. The Board shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Grant or any Award Agreement, and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Board deems to be necessary or appropriate to the administration of the Plan, any Grant or any Award Agreement. All such actions and determinations shall be by the affirmative vote of a majority of the members of the Board present at a meeting or by unanimous consent of the Board executed in writing in accordance with the Company’s certificate of incorporation and by-laws and

applicable law. The interpretation and construction by the Board of any provision of the Plan, any Grant or any Award Agreement shall be final and conclusive. To the extent permitted by law, the Board may delegate its authority under the Plan to a member of the Board or an executive officer of the Company who is a member of the Board.

3.2 Committee.

The Board from time to time may delegate to one or more Committees such powers and authorities related to the administration and implementation of the Plan, as set forth in Section 3.1 above and in other applicable provisions, as the Board shall determine, consistent with the certificate of incorporation and by-laws of the Company and applicable law. In the event that the Plan, any Grant or any Award Agreement entered into hereunder provides for any action to be taken by or determination to be made by the Board, such action may be taken by or such determination may be made by the applicable Committee if the power and authority to do so has been delegated to the Committee by the Board as provided for in Section 3.1. Unless otherwise expressly determined by the Board, any such action or determination by the Committee shall be final, binding and conclusive. To the extent permitted by law, the Committee may delegate its authority under the Plan to a member of the Board or an executive officer of the Company who is a member of the Board.

3.3 Grants.

Subject to the other terms and conditions of the Plan, the Board shall have full and final authority to:

- (i) designate Grantees,
- (ii) determine the type or types of Grants to be made to a Grantee,
- (iii) determine the number of shares of Stock to be subject to a Grant,
- (iv) establish the terms and conditions of each Grant (including, but not limited to, the exercise price of any Option, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of a Grant or the shares of Stock subject thereto, and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options),
- (v) prescribe the form of each Award Agreement evidencing a Grant, and
- (vi) amend, modify, or supplement the terms of any outstanding Grant.

As a condition to any Grant, the Board shall have the right, at its discretion, to require Grantees to return to the Company Grants previously awarded under the Plan. Subject to the terms and conditions of the Plan, any such subsequent Grant shall be upon such terms and conditions as are specified by the Board at the time the new Grant is made. The Board shall have the right, in its discretion, to make Grants in substitution or exchange for any other grant under another plan of the Company, any Affiliate, or any business entity to be acquired by the Company or an Affiliate. The Company may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee on account of actions taken by the Grantee in violation or breach of or in conflict with any non-competition agreement, any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate thereof or any confidentiality obligation with respect to the Company or any Affiliate thereof or otherwise in competition with the Company or any Affiliate thereof, to the extent specified in such Award Agreement applicable to the Grantee. Furthermore, the Company may annul a Grant if the Grantee is an employee of the Company or an Affiliate thereof and is terminated “for cause” as defined in the applicable Award Agreement.

3.4 Deferral Arrangement.

The Board may permit or require the deferral of any award payment into a deferred compensation arrangement, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or dividend equivalents, including converting such credits into deferred Stock equivalents and restricting deferrals to comply with hardship distribution rules affecting 401(k) plans.

3.5 No Liability.

No member of the Board or of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Grant or Award Agreement.

4. STOCK SUBJECT TO THE PLAN

4.1 Shares Available for Issuance under Plan.

Subject to adjustment under Section 15, the number of shares of Stock available for issuance under the Plan as Options or as Restricted Stock shall be () shares (the “Share Reserve”). All shares in the Share Reserve are eligible to be issued pursuant to Incentive Stock Options. Stock issued or to be issued under the Plan shall be authorized but unissued shares or, to the extent permitted by applicable law, issued shares that have been reacquired by the Company. If any shares covered by a Grant are not purchased or are forfeited, or if a Grant otherwise terminates without delivery of any Stock subject thereto, then the number of shares of Stock counted against the aggregate number of shares available under the Plan with respect to such Grant shall, to the extent of any such forfeiture or termination, again be available for making Grants under the Plan. If any shares covered by a Grant are tendered or withheld to pay the exercise price of an Option, or if any shares are tendered or withheld to satisfy a tax withholding obligation arising in connection with an Award, then the shares so tendered or withheld shall be added to the shares available for grant under the Plan.

5. GRANT ELIGIBILITY

5.1 Employees and Other Service Providers.

Grants (including Grants of Incentive Stock Options, subject to Section 5.3) may be made under the Plan to any employee, officer or director of, or other Service Provider providing, or who has provided, services to, the Company or any Affiliate. To the extent required by applicable state law, Grants within certain states may be limited to employees and officers or employees, officers and directors. In addition, prospective employees, consultants and non-employee directors are eligible to participate in the 2018 Plan but no portion of any such award will vest, become exercisable, be settled or become effective prior to the date on which such individual begins providing services to the Company or an Affiliate.

5.2 Successive Grants.

An eligible person may receive more than one Grant, subject to such restrictions as are provided herein.

5.3 Limitations on Incentive Stock Options.

An Option shall constitute an Incentive Stock Option only (i) if the Grantee of such Option is an employee of the Company or any Subsidiary of the Company; (ii) to the extent specifically provided in the related Award Agreement; and (iii) to the extent that the aggregate Fair Market Value (determined at the time the Option is granted) of the shares of Stock with respect to which all Incentive Stock Options held by such Grantee become exercisable for the first time during any calendar year (under the Plan and all other plans of the Grantee’s employer and its Affiliates) does not exceed \$100,000. This limitation shall be applied by taking Options into account in the order in which they were granted.

6. AWARD AGREEMENT

Each Grant pursuant to the Plan shall be evidenced by an Award Agreement, in such form or forms as the Board shall from time to time determine, which specifies the number of shares subject to the Grant and provides for adjustment in accordance with Section 15. Award Agreements granted from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan. Each Award Agreement evidencing a Grant of Options shall specify whether such Options are intended to be Nonqualified Stock Options or Incentive Stock Options, and in the absence of such specification such options shall be deemed Nonqualified Stock Options.

7. TERMS AND CONDITIONS OF OPTIONS

7.1 Option Price.

The Option Price of each Option shall be fixed by the Board and stated in the Award Agreement evidencing such Option. In the case of an Incentive Stock Option, the Option Price shall be the Fair Market Value on the Grant Date of a share of Stock; provided, however, that in the event that a Grantee is a Ten-Percent Stockholder, the Option Price of an Incentive Stock Option granted to such Grantee shall be not less than 110% of the Fair Market Value of a share of Stock on the Grant Date. To the extent required by applicable law, in the case of a Nonqualified Stock Option, the Option Price shall be not less than 100% of the Fair Market Value on the Grant Date of a share of Stock; provided, however, that in the event that a Grantee is a Ten-Percent Stockholder, the Option Price shall be not less than 110% of the Fair Market Value of a share of Stock on the Grant Date. In no case shall the Option Price of any Option be less than the par value of a share of Stock.

7.2 Vesting and Option Period.

Subject to Sections 7.3 and 14.3 hereof, each Option granted under the Plan shall become exercisable at such times and under such conditions as shall be determined by the Board and stated in the Award Agreement. For purposes of this Section 7.2, fractional numbers of shares of Stock subject to an Option shall be rounded down to the next nearest whole number. To the extent required by applicable law, each Option shall become exercisable at least at the rate of twenty percent (20%) per year for each of the first five (5) years from the Grant Date based on continued Service. Subject to the preceding sentence, the Board may provide, for example, in the Award Agreement for (i) accelerated exercisability of the Option in the event the Grantee's Service terminates on account of death, Disability or another event, (ii) expiration of the Option prior to its term in the event of the termination of the Grantee's Service, (iii) immediate forfeiture of the Option in the event the Grantee's Service is terminated for Cause or (iv) unvested Options to be exercised subject to the Company's right of repurchase with respect to unvested shares of Stock.

7.3 Term.

Each Option granted under the Plan shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of ten (10) years from the date such Option is granted, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Board and stated in the Award Agreement relating to such Option; provided, however, that in the event that the Grantee is a Ten-Percent Stockholder, an Option granted to such Grantee that is intended to be an Incentive Stock Option shall not be exercisable after the expiration of five (5) years from its Grant Date.

7.4 Exercise of Options on Termination of Service.

Each Award Agreement shall set forth the extent to which the Grantee shall have the right to exercise the Option following termination of the Grantee's Service. Such provisions shall be determined in the sole discretion of the Board, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of employment. Notwithstanding the foregoing, to the extent required by applicable law, each Option shall provide that the Grantee shall have the right to exercise the vested portion of any Option held at termination for a period of three (3) months next succeeding such termination of service with the Company for any reason (other than for Cause), and that the Grantee shall have the right to exercise the vested portion of any option Option for a period of twelve (12) months next succeeding the termination of service with the Company due to death or Disability.

7.5 Limitations on Exercise of Option.

Notwithstanding any other provision of the Plan, in no event may any Option be exercised, in whole or in part, prior to the date the Plan is approved by the shareholders of the Company, or after ten (10) years following the date upon which the Option is granted, or after the occurrence of an event referred to in Section 14 hereof which results in termination of the Option.

7.6 Exercise Procedure.

An Option that is exercisable may be exercised by the Grantee's delivery to the Company of written notice of exercise on any business day, at the Company's principal office, on the form specified by the Company. Such notice shall specify the number of shares of Stock with respect to which the Option is being

exercised and shall be accompanied by payment in full of the Option Price of the shares for which the Option is being exercised. The Board may approve an alternative exercise procedure including by broker-assisted exercise. The minimum number of shares of Stock with respect to which an Option may be exercised, in whole or in part, at any time shall be the lesser of (i) 100 shares or such lesser number set forth in the applicable Award Agreement and (ii) the maximum number of shares available for purchase under the Option at the time of exercise. The Option Price shall be payable in a form described in Section 10.

7.7 Right of Holders of Options.

Unless otherwise stated in the applicable Award Agreement, an individual holding or exercising an Option shall have none of the rights of a shareholder (for example, the right to cash or dividend payments or distributions attributable to the subject shares of Stock or to direct the voting of shares of Stock) until the shares of Stock covered thereby are fully paid and issued to such individual.

7.8 Delivery of Stock Certificates.

Promptly after the exercise of an Option by a Grantee and the payment in full of the Option Price, such Grantee shall be entitled to the issuance of a stock certificate or certificates evidencing such Grantee's ownership of the shares of Stock purchased upon such exercise of the Option.

8. TRANSFERABILITY OF OPTIONS

8.1 Transferability of Options.

Except as provided in Section 8.2, during the lifetime of a Grantee, only the Grantee (or, in the event of legal incapacity or incompetency, the Grantee's guardian or legal representative) may exercise an Option. Except as provided in Section 8.2, no Option shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

8.2 Family Transfers.

If authorized in the applicable Award Agreement, a Grantee may transfer, not for value, all or part of an Option that is not an Incentive Stock Option to any Family Member. For the purpose of this Section 8.2, a "not for value" transfer is a transfer which is (i) a gift, (ii) a transfer under a domestic relations order in settlement of marital property rights; or (iii) unless applicable law does not permit such transfers, a transfer to an entity in which more than fifty percent (50%) of the voting interests are owned by Family Members (or the Grantee) in exchange for an interest in that entity. Following a transfer under this Section 8.2, any such Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer, and shares of Stock acquired pursuant to the Option shall be subject to the same restrictions on transfer of shares as would have applied to the Grantee. Subsequent transfers of transferred Options are prohibited except to Family Members of the original Grantee in accordance with this Section 8.2 or by will or the laws of descent and distribution. The events of termination of Service under an Option shall continue to be applied with respect to the original Grantee, following which the Option shall be exercisable by the transferee only to the extent, and for the periods specified in the Option, and the shares may be subject to repurchase by the Company or its assignee.

9. RESTRICTED STOCK

9.1 Grant of Restricted Stock.

The Board may from time to time grant Restricted Stock to persons eligible to receive Grants under Section 5 hereof, subject to such restrictions, conditions and other terms as the Board may determine.

9.2 Restrictions.

At the time a Grant of Restricted Stock is made, the Board shall establish a restriction period applicable to such Restricted Stock. Each Grant of Restricted Stock may be subject to a different restriction period. The Board may, in its sole discretion, at the time a Grant of Restricted Stock is made, prescribe conditions that must be satisfied prior to the expiration of the restriction period, including the satisfaction of corporate or individual performance objectives or continued Service, in order that all or any portion of

the Restricted Stock shall vest. To the extent required by applicable law, the vesting restrictions applicable to a Grant of Restricted Stock shall lapse no less rapidly than the rate of twenty percent (20%) per year for each of the first five (5) years from the Grant Date, based on continued Service.

The Board also may, in its sole discretion, shorten or terminate the restriction period or waive any of the conditions applicable to all or a portion of the Restricted Stock. The Restricted Stock may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the restriction period or prior to the satisfaction of any other conditions prescribed by the Board with respect to such Restricted Stock.

9.3 Restricted Stock Certificates.

The Company shall issue, in the name of each Grantee to whom Restricted Stock has been granted, stock certificates representing the total number of shares of Restricted Stock granted to the Grantee, as soon as reasonably practicable after the Grant Date. The Board may provide in an Award Agreement that either (i) the Secretary of the Company shall hold such certificates for the Grantee's benefit until such time as the Restricted Stock is forfeited to the Company, or the restrictions lapse, or (ii) such certificates shall be delivered to the Grantee, provided, however, that such certificates shall bear a legend or legends that complies with the applicable securities laws and regulations and makes appropriate reference to the restrictions imposed under the Plan and the Award Agreement.

9.4 Rights of Holders of Restricted Stock.

Unless the Board otherwise provides in an Award Agreement, holders of Restricted Stock shall have the right to vote such Stock and the right to receive any dividends declared or paid with respect to such Stock. The Board may provide that any dividends paid on Restricted Stock must be reinvested in shares of Stock, which may or may not be subject to the same vesting conditions and restrictions applicable to such Restricted Stock. All distributions, if any, received by a Grantee with respect to Restricted Stock as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Grant.

9.5 Termination of Service.

Unless otherwise provided by the Board in the applicable Award Agreement, upon the termination of a Grantee's Service with the Company or an Affiliate, any shares of Restricted Stock held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of Restricted Stock, the Grantee shall have no further rights with respect to such Grant, including but not limited to any right to vote Restricted Stock or any right to receive dividends with respect to shares of Restricted Stock.

9.6 Purchase and Delivery of Stock.

The Grantee shall be required to purchase the Restricted Stock from the Company at a Purchase Price equal to the greater of (i) the aggregate par value of the shares of Stock represented by such Restricted Stock or (ii) the Purchase Price, if any, specified in the Award Agreement relating to such Restricted Stock. The Purchase Price shall be payable in a form described in Section 10 or, in the discretion of the Board, in consideration for past Services rendered to the Company or an Affiliate. To the extent required by applicable law, the Purchase Price of a share of Restricted Stock shall be not less than eight-five (85%) percent of the Fair Market Value on the Grant Date of a share of Stock; provided, however, that in the event that the Grantee is a Ten-Percent Stockholder, the Purchase Price shall be not less than one hundred (100%) percent of the Fair Market Value on the Grant date of a share of Stock.

Upon the expiration or termination of the restriction period and the satisfaction of any other conditions prescribed by the Board, having properly paid the Purchase Price, the restrictions applicable to shares of Restricted Stock shall lapse, and, unless otherwise provided in the Award Agreement, a stock certificate for such shares shall be delivered, free of all such restrictions, to the Grantee or the Grantee's beneficiary or estate, as the case may be.

10. FORM OF PAYMENT

10.1 General Rule.

Payment of the Option Price for the shares purchased pursuant to the exercise of an Option or the Purchase Price for Restricted Stock shall be made in cash or in cash equivalents acceptable to the Company.

10.2 Surrender of Stock.

To the extent the Award Agreement so provides, payment of the Option Price for shares purchased pursuant to the exercise of an Option or the Purchase Price for Restricted Stock may be made all or in part through the tender to the Company of shares of Stock, which shares, if acquired from the Company, shall have been held for at least six (6) months at the time of tender and which shall be valued, for purposes of determining the extent to which the Option Price or Purchase Price has been paid thereby, at their Fair Market Value on the date of exercise.

10.3 Cashless Exercise.

With respect to an Option only (and not with respect to Restricted Stock), to the extent the Award Agreement so provides and the shares of Stock have become publicly traded, payment of the Option Price for shares purchased pursuant to the exercise of an Option may be made all or in part by delivery (on a form acceptable to the Board) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the sales proceeds to the Company in payment of the Option Price and any withholding taxes described in Section 11.

10.4 Net Exercise of Option.

In lieu of paying the aggregate purchase price in cash pursuant to Section 10.1, the Grantee may elect a “net exercise” and exchange his or her Option for such number of shares of Common Stock determined by multiplying such number of shares of common stock with respect to which this Option is exercised by a fraction, the numerator of which shall be the difference between the then-current market price per share of common stock and the purchase price provided in this Option, and the denominator of which shall be the then-current market price per share of common stock. The Grantee, when exercising his or her Option shall have the right to receive the number of shares with a fair market value equal to the difference between the exercise price and the current fair market value at the date of exercise. As a result of such exercise, the Grantee is submitting the number of Options exercised and the Company is issuing the net difference of shares of common stock after the net exercise.

11. WITHHOLDING TAXES

The Company or any Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any Federal, state, or local taxes of any kind required by law to be withheld with respect to the vesting of or other lapse of restrictions applicable to Restricted Stock or upon the issuance of any shares of Stock upon the exercise of an Option. At the time of such vesting, lapse, or exercise, the Grantee shall pay to the Company or Affiliate, as the case may be, any amount that the Company or Affiliate may reasonably determine to be necessary to satisfy such withholding obligation. Subject to the prior approval of the Company or the Affiliate, which may be withheld by the Company or the Affiliate, as the case may be, in its sole discretion, the Grantee may elect to satisfy such obligations, in whole or in part, (i) by causing the Company or the Affiliate to withhold shares of Stock otherwise issuable to the Grantee or (ii) by delivering to the Company or the Affiliate shares of Stock already owned by the Grantee. The shares of Stock so delivered or withheld shall have an aggregate Fair Market Value equal to such withholding obligations. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Company or the Affiliate as of the date that the amount of tax to be withheld is to be determined. A Grantee who has made an election pursuant to this Section 11 may satisfy his or her withholding obligation only with shares of Stock that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

12. PARACHUTE LIMITATIONS

Notwithstanding any other provision of this Plan or of any other agreement, contract, or understanding heretofore or hereafter entered into by a Grantee with the Company or any Affiliate, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Grantee (including groups or classes of participants or beneficiaries of which the Grantee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Grantee (a "Benefit Arrangement"), if the Grantee is a "disqualified individual," as defined in Section 280G(c) of the Code, any Options or Restricted Stock held by that Grantee and any right to receive any payment or other benefit under this Plan shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Grantee under this Plan, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Grantee under this Plan to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by the Grantee from the Company under this Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Grantee without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Plan, in conjunction with all other rights, payments, or benefits to or for the Grantee under any Other Agreement or any Benefit Arrangement would cause the Grantee to be considered to have received a Parachute Payment under this Plan that would have the effect of decreasing the after-tax amount received by the Grantee as described in clause (ii) of the preceding sentence, then the Grantee shall have the right, in the Grantee's sole discretion, to designate those rights, payments, or benefits under this Plan, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to the Grantee under this Plan be deemed to be a Parachute Payment.

13. REQUIREMENTS OF LAW

13.1 General.

The Company shall not be required to sell or issue any shares of Stock under any Grant if the sale or issuance of such shares would constitute a violation by the Grantee, any other individual exercising a right emanating from such Grant, or the Company of any provision of any law or regulation of any governmental authority, including without limitation any federal or state securities laws or regulations. If at any time the Company shall determine, in its discretion, that the listing, registration or qualification of any shares subject to a Grant upon any securities exchange or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issuance or purchase of shares hereunder, no shares of Stock may be issued or sold to the Grantee or any other individual exercising an Option pursuant to such Grant unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused thereby shall in no way affect the date of termination of the Grant. Specifically, in connection with the Securities Act, upon the exercise of any right emanating from such Grant or the delivery of any shares of Restricted Stock, unless a registration statement under such Act is in effect with respect to the shares of Stock covered by such Grant, the Company shall not be required to sell or issue such shares unless the Board has received evidence satisfactory to it that the Grantee or any other individual exercising an Option may acquire such shares pursuant to an exemption from registration under the Securities Act. Any determination in this connection by the Board shall be final, binding, and conclusive. The Company may, but shall in no event be obligated to, register any securities covered hereby pursuant to the Securities Act. The Company shall not be obligated to take any affirmative action in order to cause the exercise of an Option or the issuance of shares of Stock pursuant to the Plan to comply with any law or regulation of any governmental authority. As to any jurisdiction that expressly imposes the requirement that an Option shall not be exercisable until the shares of Stock covered by such Option are registered or are exempt from registration, the exercise of such Option (under circumstances in which the laws of such jurisdiction apply) shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

13.2 Rule 16b-3.

During any time when the Company has a class of equity security registered under Section 12 of the Exchange Act, it is the intent of the Company that Grants pursuant to the Plan and the exercise of Options granted hereunder will qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Board does not comply with the requirements of Rule 16b-3, it shall be deemed inoperative to the extent permitted by law and deemed advisable by the Board, and shall not affect the validity of the Plan. In the event that Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify this Plan in any respect necessary to satisfy the requirements of, or to take advantage of any features of, the revised exemption or its replacement.

13.3 Financial Reports

To the extent required by applicable law, not less often than annually the Company shall furnish to Grantees summary financial information including a balance sheet regarding the Company's financial conditions and results of operation, unless such Grantees have duties with the Company that assure them access to equivalent information. Such financial statements need not be audited.

14. EFFECT OF CHANGES IN CAPITALIZATION

14.1 Changes in Stock

Subject to the exception set forth in the last sentence of Section 14.4, if the number of outstanding shares of Stock is increased or decreased or the shares of Stock are changed into or exchanged for a different number of shares of common stock of the Company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number of shares for which Grants of Options and Restricted Stock may be made under the Plan shall be adjusted proportionately by the Company. In addition, the number of shares for which Grants are outstanding shall be adjusted proportionately so that the proportionate interest of the Grantee in common stock immediately following such event shall, to the extent practicable, be the same as the Grantee's interest in Stock immediately before such event. Any such adjustment in outstanding Options shall not change the aggregate Option Price payable with respect to shares that are subject to the unexercised portion of an Option outstanding but shall include a corresponding proportionate adjustment in the Option Price per share. The conversion of any convertible securities of the Company shall not be treated as an increase in shares effected without receipt of consideration.

14.2 Reorganization in Which the Company Is the Surviving Entity and in Which No Change of Control Occurs.

Subject to the exception set forth in the last sentence of Section 14.4, if the Company shall be the surviving entity in any reorganization, merger, or consolidation of the Company with one or more other entities and in which no Change of Control occurs, any Grant theretofore made pursuant to the Plan shall pertain to and apply to the common stock shares to which a holder of the number of shares of Stock subject to such Grant would have been entitled immediately following such reorganization, merger, or consolidation, and in the case of Options, with a corresponding proportionate adjustment of the Option Price per share so that the aggregate Option Price thereafter shall be the same as the aggregate Option Price of the shares remaining subject to the Option immediately prior to such reorganization, merger, or consolidation. Subject to any contrary language in an Award Agreement evidencing a Grant of Restricted Stock, any restrictions applicable to such Restricted Stock shall apply as well to any replacement shares received by the Grantee as a result of the reorganization, merger or consolidation.

14.3 Reorganization, Sale of Assets or Sale of Stock Which Involves a Change of Control.

Subject to the exceptions set forth in the last sentence of this Section 14.3 and the last sentence of Section 14.4, (i) upon the occurrence of a Change of Control, all outstanding shares of Restricted Stock shall be deemed to have vested, and all restrictions and conditions applicable to such shares of Restricted Stock shall be deemed to have lapsed, immediately prior to the occurrence of such Change of Control, and (ii) either of the following two actions shall be taken: (A) fifteen (15) days prior to the scheduled

consummation of a Change of Control, all Options outstanding hereunder shall become immediately exercisable and shall remain exercisable for a period of fifteen (15) days, or (B) the Board may elect, in its sole discretion, to cancel any outstanding Grants and pay or deliver, or cause to be paid or delivered, to the holder thereof an amount in cash or securities having a value (as determined by the Board acting in good faith), in the case of Restricted Stock, equal to the formula or fixed price per share paid to holders of shares of Stock and, in the case of Options, equal to the product of the number of shares of Stock subject to the Option (the "Option Shares") multiplied by the amount, if any, by which (I) the formula or fixed price per share paid to holders of shares of Stock pursuant to such transaction exceeds (II) the Option Price applicable to such Option Shares. With respect to the Company's establishment of an exercise window, (i) any exercise of an Option during such 15-day period shall be conditioned upon the consummation of the event and shall be effective only immediately before the consummation of the event, and (ii) upon consummation of any Change of Control, the Plan and all outstanding but unexercised Options shall terminate. The Board shall send written notice of an event that will result in such a termination to all individuals who hold Options not later than the time at which the Company gives notice thereof to its shareholders. This Section 14.3 shall not apply to any Change of Control to the extent that provision is made in writing in connection with such Change of Control for the assumption or continuation of the Options and Restricted Stock theretofore granted, or for the substitution for such Options and Restricted Stock of new options and restricted stock covering the stock of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kinds of shares and exercise prices, in which event the Plan and Options and Restricted Stock theretofore granted shall continue in the manner and under the terms so provided.

14.4 Adjustments.

Adjustments under this Section 14.4 related to shares of Stock or securities of the Company shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share. The Board may provide in the Award Agreements at the time of Grant, or any time thereafter with the consent of the Grantee, for different provisions to apply to a Grant in place of those described in Sections 14.1, 14.2 and 14.3.

14.5 No Limitations on Company.

The making of Grants pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets.

15. DURATION AND AMENDMENTS

15.1 Term of the Plan.

The Effective Date of this Plan is the date of its adoption by the Board, subject to the approval of the Plan by the Company's stockholders. In the event that the stockholders fail to approve the Plan within twelve (12) months after its adoption by the Board, any Grants already made shall be null and void, and no additional grants shall be made after such date. The Plan shall terminate automatically ten (10) years after its adoption by the Board and may be terminated on any earlier date as next provided.

15.2 Amendment and Termination of the Plan.

The Board may, at any time and from time to time, amend, suspend, or terminate the Plan as to any shares of Stock as to which Grants have not been made. An amendment to the Plan shall be contingent on approval of the Company's stockholders only to the extent required by applicable law, regulations or rules. No Grants shall be made after the termination of the Plan. No amendment, suspension, or termination of the Plan shall, without the consent of the Grantee, alter or impair rights or obligations under any Grant theretofore awarded under the Plan.

16. GENERAL PROVISIONS

16.1 Disclaimer of Rights.

No provision in the Plan or in any Grant or Award Agreement shall be construed to confer upon any individual the right to remain in the employ or service of the Company or any Affiliate, or to interfere in any way with any contractual or other right or authority of the Company either to increase or decrease the compensation or other payments to any individual at any time, or to terminate any employment or other relationship between any individual and the Company or any Affiliate. The obligation of the Company to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Company to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any participant or beneficiary under the terms of the Plan.

16.2 Nonexclusivity of the Plan.

Neither the adoption of the Plan nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable, including, without limitation, the granting of stock options otherwise than under the Plan.

16.3 Captions.

The use of captions in this Plan or any Award Agreement is for the convenience of reference only and shall not affect the meaning of any provision of the Plan or such Award Agreement.

16.4 Other Award Agreement Provisions.

Each Grant awarded under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Board, in its sole discretion.

16.5 Number and Gender.

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

16.6 Severability.

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

16.7 Pooling.

In the event any provision of the Plan or the Award Agreement would prevent the use of pooling of interests accounting in a corporate transaction involving the Company and such transaction is contingent upon pooling of interests accounting, then that provision shall be deemed amended or revoked to the extent required to preserve such pooling of interests. The Company may require in an Award Agreement that a Grantee who receives a Grant under the Plan shall, upon advice from the Company, take (or refrain from taking, as appropriate) all actions necessary or desirable to ensure that pooling of interests accounting is available.

16.8 Governing Law.

The validity and construction of this Plan and the instruments evidencing the Grants awarded hereunder shall be governed by the laws of the State of Delaware other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan and the instruments evidencing the Grants awarded hereunder to the substantive laws of any other jurisdiction.