

IGI LABORATORIES, INC  
Form DEF 14A  
April 27, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

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

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

**IGI Laboratories, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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1) Amount previously paid:

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3) Filing party:

4)Date Filed:

**IGI LABORATORIES, INC.**

**105 Lincoln Avenue, PO Box 687**

**Buena, New Jersey 08310**

**April 27, 2015**

To Our Stockholders:

You are cordially invited to attend the 2015 annual meeting of stockholders of IGI Laboratories, Inc. to be held at 10:00 a.m. local time on May 20, 2015, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, New York, NY 10017.

Details regarding the meeting, the business to be conducted at the meeting, and information about IGI Laboratories, Inc. that you should consider when you vote your shares are described in this proxy statement.

At the annual meeting, six persons will be elected to our Board of Directors. In addition, we will ask stockholders to approve a proposed amendment to the IGI Laboratories, Inc. Amended and Restated Certificate of Incorporation to increase the number of our authorized shares of common stock, to approve the issuance of our common stock upon conversion of our convertible senior notes due 2019, to ratify the selection of EisnerAmper LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2015 and to approve, on an advisory basis, the compensation of our named executive officers, as disclosed in this proxy statement. The Board of Directors recommends the approval of each of the proposals. Such other business will be transacted as may properly come before the annual meeting.

We hope you will be able to attend the annual meeting. Whether you plan to attend the annual meeting or not, it is important that you cast your vote either in person or by proxy. You may vote over the Internet as well as by telephone or by mail. When you have finished reading the proxy statement, you are urged to vote in accordance with the instructions set forth in this proxy statement. We encourage you to vote by proxy so that your shares will be represented and voted at the meeting, whether or not you can attend.

Thank you for your continued support of IGI Laboratories, Inc. We look forward to seeing you at the annual meeting.

Sincerely,

Jason Grenfell-Gardner  
President and Chief Executive Officer

**IGI LABORATORIES, INC.**

**105 Lincoln Avenue, PO Box 687**

**Buena, New Jersey 08310**

**NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS**

TIME: 10:00 a.m. local time

DATE: May 20, 2015

PLACE: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, NY, NY 10017

**PURPOSES:**

1. To elect six directors to serve one-year terms until the 2016 annual meeting;
2. To approve a proposed amendment to our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our common stock to 100,000,000 shares;
3. To approve the issuance of our common stock upon conversion of our convertible senior notes due 2019;
4. To ratify the appointment of EisnerAmper LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015;
5. To approve, by an advisory vote, the compensation of our named executive officers, as disclosed in this proxy statement; and
6. To transact such other business that is properly presented at the annual meeting and any adjournments or postponements thereof.

WHO MAY VOTE:

You may vote if you were the record owner of IGI Laboratories, Inc. common stock at the close of business on April 27, 2015. A list of stockholders of record will be available at the annual meeting and during the 10 days prior to the annual meeting, at our principal executive offices, which are located at 105 Lincoln Avenue, PO Box 687, Buena, New Jersey 08310.

All stockholders are cordially invited to attend the annual meeting. **Whether you plan to attend the annual meeting or not, we urge you to vote and submit your proxy by the Internet, telephone or mail in order to ensure the presence of a quorum.** You may change or revoke your proxy at any time before it is voted at the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Jennifer Collins  
Corporate Secretary

**TABLE OF CONTENTS**

	<b>PAGE</b>
<u>Important Information About the Annual Meeting and Voting</u>	7
<u>Security Ownership of Certain Beneficial Owners and Management</u>	12
<u>Management and Corporate Governance</u>	15
<u>Compensation Discussion and Analysis</u>	21
<u>Compensation Committee Report</u>	27
<u>Risks Related to Compensation Practices and Policies</u>	27
<u>Executive Officer and Director Compensation</u>	28
<u>Equity Compensation Plan Information</u>	34
<u>Report of Audit Committee</u>	35
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	36
<u>Certain Relationships and Related Person Transactions</u>	36
<b><u>PROPOSAL 1: Election of Directors</u></b>	37
<b><u>PROPOSAL 2: Amendment of Certificate of Incorporation to Increase the Number of Authorized Shares of Common Stock</u></b>	38
<b><u>PROPOSAL 3: Approval of Issuance of Common Stock upon Conversion of our Convertible Senior Notes due 2019</u></b>	41
<b><u>PROPOSAL 4: Ratification of Independent Registered Public Accounting Firm</u></b>	44
<b><u>PROPOSAL 5: Advisory Vote on Executive Compensation as Disclosed in this Proxy Statement</u></b>	46
<u>Code of Conduct and Ethics</u>	47
<u>Other Matters</u>	47
<u>Stockholder Proposals and Nominations For Director</u>	47
<b><u>Appendix A: Certificate of Amendment to Amended and Restated Certificate of Incorporation</u></b>	A-1





**IGI LABORATORIES, INC.**

**105 Lincoln Avenue, PO Box 687**

**Buena, New Jersey 08310**

**PROXY STATEMENT FOR THE IGI LABORATORIES, INC.**

**2015 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 20, 2015**

This proxy statement, along with the accompanying notice of 2015 annual meeting of stockholders, contains information about the 2015 annual meeting of stockholders of IGI Laboratories, Inc. including any adjournments or postponements of the annual meeting. We are holding the annual meeting at 10:00 a.m. local time, on May 20, 2015, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, New York, NY 10017.

In this proxy statement, we refer to IGI Laboratories, Inc. as “**IGI**,” “**the Company**,” “**we**” and “**us**.”

This proxy statement relates to the solicitation of proxies by our Board of Directors for use at the annual meeting.

On or about April 28, 2015, we began sending this proxy statement, the attached Notice of Annual Meeting of Stockholders and the enclosed proxy card to all stockholders entitled to vote at the annual meeting.

Although not part of this proxy statement, we are also sending, along with this proxy statement, our 2014 annual report, which includes our financial statements for the fiscal year ended December 31, 2014.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 20, 2015**

**This proxy statement and our 2014 annual report to stockholders are available for viewing, printing and downloading at *www.proxyvote.com*. To view these materials please have your 12-digit control number(s) available that appears on your proxy card. On this website, you can also elect to receive future distributions of our proxy statements and annual reports to stockholders by electronic delivery.**

**Additionally, you can find a copy of our Annual Report on Form 10-K, which includes our financial statements, for the fiscal year ended December 31, 2014 on the website of the Securities and Exchange Commission, or the SEC, at *www.sec.gov*, or in the “SEC Filings” section of the “Investor Relations” section of our website at *www.igilabs.com*. You may also obtain a printed copy of our Annual Report on Form 10-K, including our financial statements, free of charge, from us by sending a written request to: Jenniffer Collins, IGI Laboratories, Inc., 105 Lincoln Avenue, PO Box 687, Buena, New Jersey 08310. You may also request a copy by emailing us at *investorrelations@igilabs.com*. Exhibits will be provided upon written request and payment of an appropriate processing fee.**

## **IMPORTANT INFORMATION ABOUT THE ANNUAL MEETING AND VOTING**

### **Why is the Company Soliciting My Proxy?**

The Board of Directors of IGI Laboratories, Inc. is soliciting your proxy to vote at the 2015 annual meeting of stockholders to be held at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., on May 20, 2015, at 10:00 a.m. local time and any adjournments of the meeting, which we refer to as the annual meeting. The proxy statement, along with the accompanying Notice of Annual Meeting of Stockholders, summarizes the purposes of the meeting and the information you need to know to vote at the annual meeting.

We have made available to you on the Internet or have sent you this proxy statement, the Notice of Annual Meeting of Stockholders, the proxy card and a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 because you owned shares of IGI Laboratories, Inc. common stock on the record date. The Company intends to commence distribution of the proxy materials to stockholders on or about April 28, 2015.

### **Who Can Vote?**

Only stockholders who owned our common stock at the close of business on April 27, 2015 are entitled to vote at the annual meeting. On this record date, there were 52,859,953 shares of our common stock outstanding and entitled to vote. Our common stock is our only class of voting stock.

You do not need to attend the annual meeting to vote your shares. Shares represented by valid proxies, received in time for the annual meeting and not revoked prior to the annual meeting, will be voted at the annual meeting. For instructions on how to change or revoke your proxy, see "*May I Change or Revoke My Proxy?*" below.

### **How Many Votes Do I Have?**

Each share of our common stock that you own entitles you to one vote.

### **How Do I Vote?**

Whether you plan to attend the annual meeting or not, we urge you to vote by proxy. All shares represented by valid proxies that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via the Internet or telephone. You may specify whether your shares should be voted for or withheld for each nominee for director and whether your shares should be voted for, against or abstain with respect to each of the other proposals. If you properly submit a proxy without giving specific voting instructions, your shares will be voted in accordance with the Board's recommendations as noted below. Voting by proxy will not affect your right to attend the annual meeting. If your shares are registered directly in your name through our stock transfer agent, American Stock Transfer and Trust Company, or you have stock certificates registered in your name, you may vote:

**By the Internet or by telephone.** Follow the instructions included in the proxy card to vote by the Internet or telephone.

**By mail.** If you received a proxy card by mail, you can vote by mail by completing, signing, dating and returning the proxy card as instructed on the card. If you sign the proxy card but do not specify how you want your shares voted, they will be voted in accordance with the Board's recommendations as noted below.

**In person at the meeting.** If you attend the meeting, you may deliver a completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting.

**Telephone and Internet voting facilities for stockholders of record will be available 24 hours a day and will close at 11:59 p.m. Eastern Time on May 19, 2015.**

If your shares are held in “street name” (held in the name of a bank, broker or other holder of record), you will receive instructions from the holder of record. You must follow the instructions of the holder of record in order for your shares to be voted. Telephone and Internet voting also will be offered to stockholders owning shares through certain banks and brokers. If your shares are not registered in your own name and you plan to vote your shares in person at the annual meeting, you should contact your broker or agent to obtain a legal proxy or broker’s proxy card and bring it to the annual meeting in order to vote.

### **How Does the Board of Directors Recommend That I Vote on the Proposals?**

The Board of Directors recommends that you vote as follows:

- **“FOR”** the election of the nominees for director;
- **“FOR”** the amendment to our Amended and Restated Certificate of Incorporation, as amended;
- **“FOR”** the approval of the issuance of our common stock upon conversion of our convertible senior notes due 2019;
- **“FOR”** the ratification of the selection of EisnerAmper LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2015; and
- **“FOR”** the compensation of our named executive officers, as disclosed in this proxy statement.

If any other matter is presented at the annual meeting, your proxy provides that your shares will be voted by the proxy holder listed in the proxy in accordance with his or her best judgment. At the time this proxy statement was first made available, we knew of no matters that needed to be acted on at the annual meeting, other than those discussed in this proxy statement.

### **May I Change or Revoke My Proxy?**

If you give us your proxy, you may change or revoke it at any time before the annual meeting. You may change or revoke your proxy in any one of the following ways:

if you received a proxy card, by signing a new proxy card with a date later than your previously delivered proxy and submitting it as instructed above;

by re-voting by the Internet or by telephone as instructed above;

by notifying the Corporate Secretary of IGI Laboratories, Inc. in writing before the annual meeting that you have revoked your proxy; or

by attending the annual meeting in person and voting in person. Attending the annual meeting in person will not in and of itself revoke a previously submitted proxy. You must specifically request at the annual meeting that it be revoked.

Your most current vote, whether by telephone, the Internet or proxy card, is the one that will be counted.

#### **What if I Receive More Than One Notice or Proxy Card?**

You may receive more than one Notice or proxy card if you hold shares of our common stock in more than one account, which may be in registered form or held in street name. Please vote in the manner described above under “*How Do I Vote?*” for each account to ensure that all of your shares are voted.

### **Will My Shares be Voted if I Do Not Vote?**

If your shares are registered in your name or if you have stock certificates, they will not be counted if you do not vote as described above under “*How Do I Vote?*” If your shares are held in street name and you do not provide voting instructions to the bank, broker or other nominee that holds your shares as described above, the bank, broker or other nominee that holds your shares has the authority to vote your unvoted shares only on the ratification of the appointment of our independent registered public accounting firm (Proposal 4 of this proxy statement) without receiving instructions from you. Therefore, we encourage you to provide voting instructions to your bank, broker or other nominee. This ensures your shares will be voted at the annual meeting and in the manner you desire. A “broker non-vote” will occur if your broker cannot vote your shares on a particular matter because it has not received instructions from you and does not have discretionary voting authority on that matter or because your broker chooses not to vote on a matter for which it does have discretionary voting authority.

Your bank, broker or other nominee does not have the ability to vote your uninstructed shares in the election of directors. Therefore, if you hold your shares in street name, it is critical that you cast your vote if you want your vote to be counted for the election of directors (Proposal 1 of this proxy statement). In the past, if you held your shares in street name and you did not indicate how you wanted your shares to be voted in the election of directors, your bank, broker or other nominee was allowed to vote your shares on your behalf in the election of directors as it deemed appropriate. In addition, your bank, broker or other nominee is prohibited from voting your uninstructed shares on any matters related to executive compensation, an amendment to our Amended and Restated Certificate of Incorporation to increase authorized shares of common stock and the issuance of shares of common stock upon conversion of our convertible senior notes due 2019. Thus, if you hold your shares in street name and you do not instruct your bank, broker or other nominee how to vote in the election of directors or on matters related to executive compensation, the amendment to our Amended and Restated Certificate of Incorporation and the issuance of shares of common stock upon conversion of our convertible senior notes due 2019, no votes will be cast on these proposals on your behalf.

### **What Vote is Required to Approve Each Proposal and How are Votes Counted?**

#### **Proposal 1: Elect Directors**

The nominees for director who receive the most votes (also known as a “plurality” of the votes cast) will be elected. You may vote either FOR all of the nominees, WITHHOLD your vote from all of the nominees or WITHHOLD your vote from any one or more of the nominees. Votes that are withheld will not be included in the vote tally for the election of the directors. Brokerage firms do not have authority to vote customers’ unvoted shares held by the firms in street name for the election of the directors. As a result, any shares not voted by a customer will be treated as a broker non-vote. Such broker non-votes will have no effect on the results of this vote.

#### **Proposal 2: Approve Amendment to our Amended and Restated**

The affirmative vote of the majority of the holders of the Company’s common stock entitled to vote is required to approve the amendment to our Amended and Restated Certificate of Incorporation. Abstentions and broker non-votes will be treated as votes



**Certificate of  
Incorporation**

against this proposal.

**Proposal 3: Approval of  
the issuance of our  
common stock upon  
conversion of our  
convertible senior notes  
due 2019**

The affirmative vote of the majority of the holders of the Company's common stock entitled to vote is required to approve the issuance of our common stock upon conversion of our convertible senior notes due 2019. Abstentions and broker non-votes will be treated as votes against this proposal.

**Proposal 4: Ratify Selection of Independent Registered Public Accounting Firm**

The affirmative vote of a majority of the shares cast affirmatively or negatively for this proposal is required to ratify the selection of our independent registered public accounting firm. Abstentions will have no effect on the results of this vote. Brokerage firms have authority to vote customers' unvoted shares held by the firms in street name on this proposal. If a broker does not exercise this authority, such broker non-votes will have no effect on the results of this vote. We are not required to obtain the approval of our stockholders to select our independent registered public accounting firm. However, if our stockholders do not ratify the selection of EisnerAmper LLP as our independent registered public accounting firm for 2015, our Audit Committee of our Board of Directors will reconsider its selection.

**Proposal 5: Approve an Advisory Vote on the Compensation of our Named Executive Officers**

The affirmative vote of a majority of the shares cast affirmatively or negatively for this proposal is required to approve, on an advisory basis, the compensation of our named executive officers, as described in this proxy statement. Abstentions will be treated as votes against this proposal. Brokerage firms do not have authority to vote customers' unvoted shares held by the firms in street name on this proposal. As a result, any shares not voted by a customer will be treated as a broker non-vote. Such broker non-votes will have no effect on the results of this vote. Although the advisory vote is non-binding, the Organization and Compensation Committee and the Board of Directors will review the voting results and take them into consideration when making future decisions regarding executive compensation.

**Where Can I Find the Voting Results of the Annual Meeting?**

The preliminary voting results will be announced at the annual meeting, and we will publish preliminary, or final results, if available, in a Current Report on Form 8-K within four business days of the annual meeting. If final results are unavailable at the time we file the Form 8-K, then we will file an amended report on Form 8-K to disclose the final voting results within four business days after the final voting results are known.

**What Are the Costs of Soliciting these Proxies?**

We will pay all of the costs of soliciting these proxies. We have engaged Morrow & Co., LLC, 470 West Ave., Stamford, Connecticut 06902, to assist us with the solicitation of proxies for a fee of \$5,500, plus expenses. In addition, our directors and employees may solicit proxies in person or by telephone, fax or email. We will pay these employees and directors no additional compensation for these services. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to their principals and to obtain authority to execute proxies. We will then reimburse them for their expenses.

**What Constitutes a Quorum for the Annual Meeting?**

The presence, in person or by proxy, of the holders of a majority of the voting power of all outstanding shares of our common stock entitled to vote at the annual meeting is necessary to constitute a quorum at the annual meeting. Votes of stockholders of record who are present at the annual meeting in person or by proxy, abstentions, and broker non-votes are counted for purposes of determining whether a quorum exists.

**Attending the Annual Meeting**

The annual meeting will be held at 10:00 a.m. on May 20, 2015, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. When you arrive at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., signs will direct you to the appropriate meeting rooms. You need not attend the annual meeting in order to vote.

## **Householding of Annual Disclosure Documents**

The rules of the Securities and Exchange Commission (the “SEC”) concerning the delivery of annual disclosure documents allow us or your broker to send a single set of our proxy materials to any household at which two or more of our stockholders reside, if we or your broker believe that the stockholders are members of the same family. This practice, referred to as “householding,” benefits both you and us. It reduces the volume of duplicate information received at your household and helps to reduce our expenses. The rule applies to our Notices, annual reports, proxy statements and information statements. Once you receive notice from your broker or from us that communications to your address will be “household,” the practice will continue until you are otherwise notified or until you revoke your consent to the practice. Stockholders who participate in householding will continue to have access to and utilize separate proxy voting instructions.

If your household received a single set of proxy materials this year, but you would prefer to receive your own copy, please contact Broadridge Financial Solutions, Inc., by calling their toll free number, 1-888-237-1900.

If you do not wish to participate in “householding” and would like to receive your own set of IGI’s proxy materials in future years, follow the instructions described below. Conversely, if you share an address with another IGI stockholder and together both of you would like to receive only a single set of proxy materials, follow these instructions:

If your IGI shares are registered in your own name, please contact Broadridge Financial Solutions, Inc., and inform them of your request by calling them at 1-888-237-1900 or writing them at 51 Mercedes Way, Edgewood, New York 11717.

If a broker or other nominee holds your IGI shares, please contact the broker or other nominee directly and inform them of your request. Be sure to include your name, the name of your brokerage firm and your account number.

## **Electronic Delivery of Company Stockholder Communications**

Most stockholders can elect to view or receive copies of future proxy materials over the Internet instead of receiving paper copies in the mail.

You can choose this option and save the Company the cost of producing and mailing these documents by:

- following the instructions provided on your proxy card;
- following the instructions provided when you vote over the Internet; or
- going to *www.proxyvote.com* and following the instructions provided.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of April 24, 2015 for (a) the executive officers named in the Summary Compensation Table on page 28 of this proxy statement, (b) each of our directors and director nominees, (c) all of our current directors and executive officers as a group and (d) each stockholder known by us to own beneficially more than 5% of our common stock. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. We deem shares of common stock that may be acquired by an individual or group within 60 days of April 24, 2015 pursuant to the exercise of options or warrants to be outstanding for the purpose of computing the percentage ownership of such individual or group, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table. Except as indicated in footnotes to this table, we believe that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them based on information provided to us by these stockholders. Percentage of ownership is based on 52,859,953 shares of common stock outstanding on March 29, 2015. Except as otherwise indicated, the address of each of the persons in this table is c/o IGI Laboratories, Inc., 105 Lincoln Avenue, PO Box 687, Buena, New Jersey 08310.

Name and Address of Beneficial Owner	Shares Beneficially Owned	
	Number	Percent
<i>5% or more Stockholders:</i>		
Life Sciences Opportunities Fund II, L.P. <sup>(1)(8)</sup>	1,494,873	2.8 %
Life Sciences Opportunities Fund (Institutional) II, L.P. <sup>(1)(8)</sup>	8,356,988	15.8 %
Signet Healthcare Partners, LLC <sup>(1)(8)</sup>	9,851,861	18.6 %
Janus Capital Management LLC <sup>(2)</sup>	5,335,342	10.1 %
Amzak Capital Management, LLC <sup>(3)</sup>	4,574,576	8.7 %
Allianz Global Investors U.S. LLC <sup>(4)</sup>	3,590,013	6.8 %
Allianz Global Investors U.S. Holdings LLC <sup>(4)</sup>	3,590,013	6.8 %
Stephen J. Morris <sup>(5)</sup>	2,843,849	5.4 %
Pembroke Management, LTD <sup>(6)</sup>	2,811,354	5.3 %
<i>Directors and Named Executive Officers:</i>		
Jason Grenfell-Gardner <sup>(7)</sup>	988,338	1.8 %
James C. Gale <sup>(1)(8)</sup>	9,991,485	18.9 %
Narendra Borkar <sup>(9)</sup>	165,000	*
Bhaskar Chaudhuri <sup>(10)</sup>	130,000	*
Steven Koehler <sup>(11)</sup>		*
John Celentano <sup>(12)</sup>		*
Jennifer Collins <sup>(13)</sup>	244,706	*
<i>All current executive officers and directors as a group (7 persons)</i> <sup>(1)(7)(8)(9)(10)(11)(12)(13)</sup>	11,519,529	21.3 %

\*Represents beneficial ownership of less than 1% of the outstanding shares of our common stock.

Total aggregate ownership of the LOF Funds, as defined below, equals 9,851,861. However, the information provided in the table above is presented on the basis of the beneficial ownership of our shares of common stock by the LOF Funds as disclosed in a Schedule 13D filed by Life Sciences Opportunities Fund II, L.P. with the SEC on March 10, 2015, which reported ownership as of March 5, 2015. Life Sciences Opportunities Fund II, L.P. (“**LOF**”) directly holds 1,494,873 shares and Life Sciences Opportunities Fund (Institutional) II, L.P. (“**LOF Institutional**”, together with LOF, the “**LOF Funds**”) directly holds 8,356,988 shares, for a total of 9,851,861 securities that are held indirectly by Signet Healthcare Partners, LLC (“**General Partner**”), the general partner of each of the LOF Funds, James C. Gale, a director of ours, and the chief investment officer, a manager and member of the General Partner, the controlling member of the General Partner, SMW Investments I, LLC (“**SMW**”), and Don A. Sanders, Ben T. Morris and Donald V. Weir, the managing members of SMW. The 9,851,861 securities held by the LOF Funds are subject to shared voting power and shared dispositive power with the General Partner, Mr. Gale, SMW, Mr. Sanders, Mr. Morris and Mr. Weir. The General Partner, Mr. Gale, SMW, Mr. Sanders, Mr. Morris and Mr. Weir disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, if any. The address of each filer is Carnegie Hall Tower, 152 West 57th Street, 19th Floor, New York, NY 10019, except SMW, which is 600 Travis, Suite 5900, Houston, TX 77002.

(2) This information is based solely on a Schedule 13G/A filed by Janus Capital Management LLC (“**Janus Capital**”) with the SEC on February 18, 2015, which reported ownership as of December 31, 2014. Janus Capital is an investment adviser or sub-advisor to its managed portfolios, including Janus Triton Fund. Janus Capital is the beneficial owner of 5,335,342 shares of IGI and has sole power to vote and dispose of all 5,335,342 shares. Janus Triton Fund is the beneficial owner of 2,665,784 shares and has the sole power to vote and dispose of all 2,665,784 shares. The address of Janus Capital and Janus Triton Fund is 151 Detroit Street, Denver, CO 80206.

(3) This information is based solely on a Schedule 13G/A filed by Amzak Capital Management, LLC with the SEC on July 18, 2014, which reported ownership as of June 27, 2014. Includes shares held by Amzak Capital Management, LLC (“**Amzak**”), and Michael D. Kazma and Gerry Kazma, the managers of Amzak, who are deemed to share voting and investment power with respect to the shares held by Amzak. Each of Amzak, Michael D. Kazma and Gerry Kazma disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, if any. The address of Amzak, Michael D. Kazma and Gerry Kazma is 1 N. Federal Highway, Suite 400, Boca Raton, FL 33432.

(4) Total aggregate ownership of Allianz, as defined below, equals 3,590,013. However, the information provided in the table above is presented on the basis of the beneficial ownership of our shares of common stock by Allianz as disclosed in a Schedule 13G filed by Allianz Global Investors U.S. Holdings LLC (“**AGI Holdings**”) with the SEC on February 13, 2015, which reported ownership as of December 31, 2014. Allianz Global Investors GmbH (“**Allianz GmbH**”), an affiliate of AGI Holdings, has sole voting and dispositive power over 354,827 shares. Allianz Global Investors U.S. LLC (“**AGI US**,” and, together with AGI Holdings and Allianz GmbH, “**Allianz**”) has sole voting power over 3,338,673 shares and sole dispositive power over 3,590,013 shares. Because AGI Holdings is the parent holding company of AGI US, it may be deemed to beneficially own the securities held by AGI US’s clients or accounts. The address of the AGI Holdings and AGI US is 680 Newport Center Drive, Suite 250, Newport Beach, CA 92660.

(5) This information is partially based on a Form 4 filed with the SEC on July 7, 2009. Includes 2,546,855 shares which Mr. Morris owns jointly with his wife and 200 shares owned directly by his wife. Excludes 160,765 shares



which are owned by Mr. Morris' children as Mr. Morris disclaims beneficial ownership of such shares due to his children's attainment of the age of majority. The address of Mr. Morris is 66 Navesink Avenue, Rumson, NJ 07760.

This information is based solely on an Schedule 13G filed by Pembroke Management, LTD with the SEC on (6) February 9, 2015, which reported ownership as of December 31, 2014. Pembroke's address is 1002 Sherbrooke Street West, Suite 1700, Montreal, Quebec H3A 354, Canada.

Includes 163,338 shares of common stock held by Mr. Grenfell-Gardner, 691,666 shares of common stock which may be acquired pursuant to stock options exercisable within 60 days after April 24, 2015, 25,000 shares of common stock which may be acquired pursuant to restricted stock units ("RSUs") exercisable within 60 days after (7) April 24, 2015 and 108,334 shares of restricted stock that have not vested and will not vest within 60 days of April 24, 2015. Does not include 81,250 shares underlying restricted stock units which have not vested and will not be exercisable within 60 days after April 24, 2015 or options to purchase 555,834 shares of our common stock which have not vested and will not be exercisable within 60 days after April 24, 2015.

(8) Includes 19,624 shares of common stock held by Mr. Gale and 120,000 shares of common stock which may be acquired pursuant to stock options exercisable within 60 days after April 24, 2015. Does not include options to purchase 35,000 shares of our common stock which have not vested and will not be exercisable within 60 days after April 24, 2015.

(9) Includes 165,000 shares of common stock which may be acquired pursuant to stock options exercisable within 60 days after April 24, 2015. Does not include options to purchase 30,000 shares of our common stock which have not vested and will not be exercisable within 60 days after April 24, 2015.

(10) Includes 130,000 shares of common stock which may be acquired pursuant to stock options exercisable within 60 days after April 24, 2015. Does not include options to purchase 25,000 shares of our common stock which have not vested and will not be exercisable within 60 days after April 24, 2015.

(11) Does not include options to purchase 65,000 shares of our common stock which have not vested and will not be exercisable within 60 days after April 24, 2015.

(12) Does not include options to purchase 30,000 shares of our common stock which have not vested and will not be exercisable within 60 days after April 24, 2015.

(13) Includes 12,206 shares of common stock held by Ms. Collins, 225,000 shares of common stock which may be acquired pursuant to stock options exercisable within 60 days after April 24, 2015 and 7,500 shares of common stock which may be acquired pursuant to RSUs exercisable within 60 days after April 24, 2015. Does not include 31,500 shares underlying restricted stock units which have not vested and will not be exercisable within 60 days after April 24, 2015 or options to purchase 90,000 shares of our common stock which have not vested and will not be exercisable within 60 days after April 24, 2015.

## MANAGEMENT AND CORPORATE GOVERNANCE

### Our Board of Directors

On March 27, 2015, our Board of Directors accepted the recommendation of the Nominating and Corporate Governance Committee and voted to nominate Jason Grenfell-Gardner, Narendra N. Borkar, Bhaskar Chaudhuri, Steven Koehler, James C. Gale and John Celentano for election at the annual meeting for a term of one year to serve until the 2016 annual meeting of stockholders, and until their respective successors have been elected and qualified, or until his earlier resignation or removal.

Set forth below are the names of the persons nominated as directors, their ages, their offices in the Company, if any, their principal occupations or employment for at least the past five years, the length of their tenure as directors and the names of other public companies in which such persons hold or have held directorships during the past five years. Additionally, information about the specific experience, qualifications, attributes or skills that led to our Board of Directors' conclusion at the time of filing of this proxy statement that each person listed below should serve as a director is set forth below:

Name	Age	Position with the Company
Jason Grenfell-Gardner	40	Director, President and Chief Executive Officer
Narendra N. Borkar <sup>(1)</sup>	74	Director
Bhaskar Chaudhuri <sup>(2)(3)</sup>	60	Director
Steven Koehler <sup>(2)</sup>	64	Director
James C. Gale <sup>(1)(3)</sup>	65	Director and Chairman
John Celentano <sup>(1)(2)</sup>	55	Director

(1)Member of the Organization and Compensation Committee of the Board of Directors.

(2)Member of the Audit Committee of the Board of Directors.

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

Our Board of Directors has reviewed the materiality of any relationship that each of our directors has with IGI, either directly or indirectly. Based upon this review, our Board has determined that the following members of the Board are "independent directors" as defined by NYSE MKT: James C. Gale, Narendra N. Borkar, Bhaskar Chaudhuri, Steven Koehler and John Celentano.

### Jason Grenfell-Gardner – President, Chief Executive Officer and Director

Jason Grenfell-Gardner, age 40, has served as President and Chief Executive Officer of IGI Laboratories, Inc. since July 30, 2012 and has served as a member of our Board of Directors since 2012. Prior to joining IGI, Mr. Grenfell-Gardner spent over eight years at Hikma Pharmaceuticals, PLC, and its subsidiaries, including West-Ward Pharmaceutical Corp. in the United States. He served in a number of roles, most recently as Senior Vice President of Sales and Marketing from 2008 to June 2012. Before joining Hikma and beginning in 1998, Mr. Grenfell-Gardner worked throughout Central and Eastern Europe as a partner at Trigon Capital, a boutique investment bank, focused on mergers and acquisitions. During his time in that region, Mr. Grenfell-Gardner served as chairman of the board of directors of AB Sanitas, as well as other board positions. Mr. Grenfell-Gardner holds an M.A. (Hons) in Economics from the University of St. Andrews in Scotland and an MBA from INSEAD. We believe Mr. Grenfell-Gardner's qualifications to serve on the Board of Directors include his experience as a pharmaceutical executive and his experience in the commercialization of pharmaceutical products.

**Narendra N. Borkar – Director**

Narendra N. Borkar, age 74, has served as a member of our Board of Directors since 2009. Since 2006, Mr. Borkar has been employed as an independent consultant in the pharmaceuticals industry. From 2004 to 2006, he served as Chief Executive Officer of Aurobindo Pharma USA, Inc. From 1997 to 2003, he served as Chief Executive Officer of Caraco Pharmaceutical Laboratories, Ltd. From 1981 to 1997, he served in various senior roles for Novartis AG (formerly Ciba Geigy Corp.), from 1979 to 1981 as General Manager of Apte Amalgamations Ltd., and from 1976 to 1979 as an Engineer for Hoffmann-La Roche AG. Prior to that time, he served as a Project Manager for Union Carbide Corp. and Merck & Company, Inc. Mr. Borkar holds a B.S. in Chemical Engineering from Bombay University, an M.S. from the University of Detroit, and an MBA from Rutgers, the State University of New Jersey. We believe Mr. Borkar's qualifications to serve on the Board of Directors include his years of experience in the pharmaceutical industry, including prior positions in various senior executive roles at pharmaceutical companies.

**Bhaskar Chaudhuri – Director**

Bhaskar Chaudhuri, age 60, has served as a member of our Board of Directors since 2010. Mr. Chaudhuri has more than 20 years' experience in pharmaceutical management, research and development. Since June 2011, he has been the Operating Partner at Frazier Healthcare Ventures. Prior to that time, Mr. Chaudhuri served as President of Valeant Pharmaceuticals International, Inc. from January 2009 to September 2010. Prior to joining Valeant, Mr. Chaudhuri served for seven years as President and Chief Executive Officer of Dow Pharmaceutical Sciences, Inc. and as a member of its board of directors from 2003 to 2008, at which time Dow was acquired by Valeant. Prior to that, Mr. Chaudhuri served as Executive Vice President of Scientific Affairs at Bertek Pharmaceuticals, Inc., a subsidiary of Mylan N.V., from 1998 to 2000. Prior to his positions at Bertek, Mr. Chaudhuri served as the General Manager of the Dermatology Division of Mylan. Mr. Chaudhuri joined Mylan through the acquisition of Penederm, Inc., where he worked from 1992 to 1998 in a number of senior positions before becoming the Vice President of Research and Development. Mr. Chaudhuri serves on the boards of directors of Corium International, Inc., Silvergate Pharmaceuticals, Inc. and Thesan Pharmaceuticals, Inc. Mr. Chaudhuri holds a B.S. in Pharmacy and an M.S. in Industrial Pharmacy from Jadavpur University and a Ph.D. in Pharmaceutics from the University of Louisiana. We believe Mr. Chaudhuri's qualifications to serve on the Board of Directors include his many years of experience in the pharmaceutical industry, including his prior positions in senior executive roles at major pharmaceutical companies.

**Steven Koehler – Director**