

CLEVELAND BIOLABS INC
Form DEF 14A
May 17, 2013

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

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

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May 17, 2013

To Our Stockholders:

You are cordially invited to attend the 2013 annual meeting of stockholders of Cleveland BioLabs, Inc. to be held at 10:00 a.m. Eastern Time on June 14, 2013 at the company's headquarters, 73 High Street, Buffalo, NY 14203. Details regarding the meeting, the business to be conducted at the meeting, and information about Cleveland BioLabs, Inc. that you should consider when you vote your shares are described in this proxy statement.

At the annual meeting, eight persons will be elected to our Board of Directors. In addition, we will ask stockholders to ratify the selection of Meaden & Moore, Ltd. as our independent registered public accounting firm for our fiscal year ending December 31, 2013, to approve on an advisory basis the compensation of our named executive officers, as disclosed in this proxy statement, to approve the Cleveland BioLabs, Inc. 2013 Employee Stock Purchase Plan, a copy of which is attached as Appendix A to this proxy statement, and to approve an amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 80,000,000 to 160,000,000. The Board of Directors recommends the approval of each of the five 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. Regardless of the number of shares you own, please vote your shares as soon as possible. For your convenience, you may vote by telephone by calling toll-free at 1-866-894-0537 or via the Internet at <http://www.cstproxyvote.com> and following the instructions on the enclosed proxy card. 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 Cleveland BioLabs, Inc. We look forward to seeing you at the annual meeting.

Sincerely,

DAVID C. HOHN, M.D.
Chairman of the Board

May 17, 2013

NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS

TIME: 10:00 a.m. Eastern Time

DATE: June 14, 2013

PLACE: Cleveland BioLabs, Inc.
73 High Street
Buffalo, New York 14203

PURPOSES:

1. To elect eight directors to serve one-year terms expiring at the 2014 Annual Meeting;
2. To ratify the appointment of Meaden & Moore, Ltd. as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2013;
3. To approve by an advisory vote the compensation of our named executive officers;
4. To approve the Cleveland BioLabs, Inc. 2013 Employee Stock Purchase Plan, a copy of which is attached as Appendix A to this proxy statement;
5. To approve an amendment to the Company's Restated Certificate of Incorporation to increase the authorized number of shares of common stock from 80,000,000 to 160,000,000; 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 Cleveland BioLabs, Inc. common stock at the close of business on April 16, 2013, the record date. 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 located at 73 High Street, Buffalo, New York 14203.

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 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

Leah Brownlee, J.D.
Corporate Secretary
Buffalo, New York

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Cleveland BioLabs, Inc.

73 High Street

Buffalo, New York 14203

(716) 849-6810

PROXY STATEMENT FOR THE CLEVELAND BIOLABS, INC.

2013 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON

JUNE 14, 2013

This proxy statement, along with the accompanying notice of the 2013 Annual Meeting of Stockholders, contains information about the 2013 Annual Meeting of Stockholders of Cleveland BioLabs, Inc., including any adjournments or postponements of the annual meeting. We are holding the annual meeting at 10:00 a.m. Eastern Time, on June 14, 2013, at the company's headquarters, 73 High Street, Buffalo, New York 14203.

In this proxy statement, we refer to Cleveland BioLabs, Inc. as "Cleveland BioLabs," "CBLI," "the Company," "we," "us" and "our."

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

On or about May 20, 2013, we will begin 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 2012 annual report, which includes our financial statements on form 10-K for the fiscal year ended December 31, 2012 and a copy of Form 10-K/A for the fiscal year ended December 31, 2012.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON JUNE 14, 2013

This proxy statement and our 2012 annual report to stockholders are available for viewing, printing and downloading at <http://www.cstproxy.com/cbiolabs/2013>. To view these materials, please follow the instructions on the website or the proxy card you received. 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, 2012 on the website of the Securities and Exchange Commission, or the SEC, at www.sec.gov, or in the "Investors" section of our website at <http://cbli.client.shareholder.com/annuals.cfm>. 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:

Cleveland BioLabs, Inc.
73 High Street
Buffalo, New York 14203
Attention: Corporate Secretary

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 Cleveland BioLabs, Inc. (the “Board”) is soliciting your proxy to vote at the 2013 Annual Meeting of Stockholders to be held at the Company’s headquarters located at 73 High Street, Buffalo, New York 14203, on June 14, 2013, at 10:00 a.m., Eastern Time, and any adjournments or postponements 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 sent you this proxy statement, the Notice of Annual Meeting of Stockholders, the proxy card, a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and a copy of Form 10-K/A for the fiscal year ended December 31, 2012 because you owned shares of Cleveland BioLabs, Inc. common stock on April 16, 2013, the record date. The Company intends to commence distribution of the proxy materials to stockholders on or about May 20, 2013.

Who can vote?

Only stockholders who owned our common stock at the close of business on April 16, 2013 (the “record date”) are entitled to vote at the Annual Meeting. On the record date, there were 44,930,826 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.

Who can attend the Annual Meeting?

All stockholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting. Seating will be limited.

What do I need to present for admission to the Annual Meeting?

You will need to present proof of your record or beneficial ownership of common stock, such as a bank or brokerage account statement, and a form of personal identification to be admitted to the Annual Meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the Annual Meeting.

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 Internet or telephone. You may specify whether your shares should be voted for or against all, some or none of the nominees 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, Continental Stock Transfer & Trust Company, or you have stock certificates registered in your name, you may vote:

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- By Internet or by telephone. Follow the instructions included in the proxy card to vote by 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 Annual 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 7:00 p.m. Eastern Time on June 13, 2013.

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.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares are registered directly in your name with our transfer agent, Continental Stock Transfer & Trust Company, you are considered, with respect to those shares, a "stockholder of record." This proxy statement, the notice of annual meeting, the proxy card, a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and a copy of Form 10-K/A for the fiscal year ended December 31, 2012 have been sent directly to you by us.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the "beneficial owner" of shares held in "street name." This proxy statement, the notice of annual meeting, the proxy card, a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and a copy of Form 10-K/A for the fiscal year ended December 31, 2012 have been forwarded to you by your broker, bank or other holder of record who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the voting instruction card included in the mailing or by following their instructions for voting by telephone or on the Internet.

How does the Board recommend that I vote on the proposals?

The Board recommends that you vote as follows:

- "FOR" the election of the nominees for director;
- "FOR" the ratification of the selection of Meaden & Moore, Ltd. as our independent registered public accounting firm for our fiscal year ending December 31, 2013;
- "FOR" the compensation of our named executive officers, as disclosed in this proxy statement (advisory vote);
- "FOR" the approval of the Cleveland BioLabs, Inc. 2013 Employee Stock Purchase Plan, a copy of which is attached as Appendix A to this proxy statement; and

- “FOR” the approval of an amendment to the Company’s Restated Certificate of Incorporation to increase the authorized number of shares of common stock from 80,000,000 to 160,000,000.

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 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:

- 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 Internet or by telephone as instructed above;
- by notifying the Secretary of the Company 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, Internet or proxy card is the one that will be counted.

What if I receive more than one proxy card?

You may receive more than one 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 non-voted shares only on the ratification of the appointment of our independent registered public accounting firm (Proposal 2 of this proxy statement) and the amendment to the Company’s Restated Certificate of Incorporation (Proposal 5 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 no longer has 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 addition, your bank, broker or other nominee is prohibited from voting your uninstructed shares on any matter related to executive compensation. 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, including for the proposal to approve the Cleveland BioLabs, Inc. 2013 Employee Stock Purchase Plan, 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’ non-voted 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: 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’ non-voted 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 Meaden & Moore, Ltd. as our independent registered public accounting firm for 2013, our Audit Committee of our Board will reconsider its selection.

Proposal 3: 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 have no effect on the results of this vote. Brokerage firms do not have authority to vote customers’ non-voted 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 Compensation Committee and the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

Proposal 4: Approval of the Cleveland BioLabs, Inc. 2013 Employee Stock Purchase Plan

The affirmative vote of a majority of the shares cast affirmatively or negatively for this proposal is required to approve the Cleveland BioLabs, Inc. 2013 Employee Stock Purchase Plan. Abstentions will have no effect on the results of this vote. Brokerage firms do not have authority to vote customers’ non-voted 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.

Proposal 5: Approval of an amendment to the Company's Restated Certificate of Incorporation to increase the authorized number of shares of common stock 80,000,000 to 160,000,000

The affirmative vote of a majority of the shares of the Company's common stock having voting power outstanding on the record date for the annual meeting is required to approve the amendment to the Company's Restated Certificate of Incorporation to increase the authorized number of shares of common stock from 80,000,000 to 160,000,000. Abstentions will have the same effect as an "against" vote. Brokerage firms have authority to vote customers' non-voted 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 the same effect as an "against" vote.

Could other matters be decided at the Annual Meeting?

As of the date of this proxy statement, we did not know of any matters to be raised at the Annual Meeting other than those referred to in this proxy statement. If any other items or matters properly come before the Annual Meeting, the proxies received will be voted on those items or matters in accordance with the discretion of the proxy holders.

What are the costs of soliciting these proxies?

We will pay all of the costs of soliciting these proxies. Our directors, employees and MacKenzie Partners, Inc. may solicit proxies in person or by telephone, fax or email. We will pay these employees and directors no additional compensation for these services but MacKenzie Partners, Inc. will be paid at its customary fee of approximately \$10,000 plus out-of-pocket expenses if it solicits proxies. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to their customers 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.

Who are the persons selected by the Board to serve as proxies?

Yakov Kogan and C. Neil Lyons, the persons named as proxies on the proxy card and voting instruction card accompanying this proxy statement, were selected by the Board to serve in such capacity. Yakov Kogan is the Chief Executive Officer of the Company and C. Neil Lyons is the Chief Financial Officer of the Company.

Who will count the vote?

At the Annual Meeting, the results of stockholder voting will be tabulated by the inspector of elections appointed by us for the meeting.

Is there a list of stockholders entitled to vote at the Annual Meeting?

Yes. A list of stockholders entitled to vote at the Annual Meeting, arranged in alphabetical order, showing the address of and number of shares registered in the name of each stockholder, will be open to the examination of any stockholder, for any purpose germane to the Annual Meeting, during ordinary business hours, commencing May 24, 2013, and continuing through the date of the Annual Meeting, at our principal offices located at 73 High Street,

Buffalo, New York 14203.

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Can I access the Notice of Annual Meeting of Stockholders, Proxy Statement and Annual Report to Stockholders on the Internet?

Our Annual Report to Stockholders for the year ended December 31, 2012, containing financial and other information pertaining to us, is being furnished to stockholders with this proxy statement. The notice of annual meeting of stockholders, proxy statement, proxy card, Form 10-K, Form 10-K/A and Annual Report to Stockholders are available on the Internet at <http://www.cstproxy.com/cbiolabs/2013> and are also available on our website at www.cbiolabs.com under the link "Investors."

Attending the Annual Meeting

The Annual Meeting will be held at 10:00 a.m., Eastern Time, on June 14, 2013 at the Company's headquarters located at 73 High Street, Buffalo, New York 14203. When you arrive at the Company's headquarters, 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

SEC rules 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 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 our transfer agent, Continental Stock Transfer & Trust Company, by calling their toll free number, 1-866-894-0537.

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

- If your shares are registered in your own name, please contact our transfer agent, Continental Stock Transfer & Trust Company, and inform them of your request by calling them at 1-866-894-0537 or writing them at 17 Battery Place, 8th Floor, New York, New York 10004, Attn: Proxy Department.
- If a broker or other nominee holds your 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 Continental Stock Transfer & Trust Company:

- following the instructions provided on your proxy card;

- following the instructions provided when you vote over the Internet; or
- going to <http://www.cstproxy.com/cbiolabs/2013> 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 May 13, 2013 for (a) the executive officers named in the Summary Compensation Table in the section titled "Executive Officer and Director Compensation," (b) each of our directors and director nominees, and (c) all of our current directors and executive officers as a group. As of May 13, 2013, to our knowledge, there were no stockholders that beneficially owned more than 5% of our common stock. Beneficial ownership is determined in accordance with the rules of the Securities Exchange Commission 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 May 13, 2013 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 44,930,826 shares of common stock outstanding on May 13, 2013.

Name and Title	Shares Beneficially Owned		Number	Percent
Directors and Executive Officers				
David C. Hohn Director, Chairman of the Board	79,584	(1)		*
James J. Antal Director	260,258	(2)		*
Julia R. Brown Director	-			*
Paul E. DiCorleto Director	235,656	(3)		*
Bernard L. Kasten Director	251,998	(4)		*
Anthony J. Principi Director	-			*
Randy S. Saluck Director	332,100	(5)		*
Yakov Kogan Director, Chief Executive Officer	1,380,443	(6)		3.0%
Michael Fonstein Director, President	1,659,874	(7)		3.7%
Andrei Gudkov Director, Chief Scientific Officer	2,002,979	(8)		4.4%
C. Neil Lyons Chief Financial Officer	101,523	(9)		*
Jean Viallet Chief Development Officer	25,000	(10)		*
All current directors and executive officers as a group (12 persons)	6,329,415			13.3%

- * Represents beneficial ownership of less than 1% of the outstanding shares of our common stock.
- (1) Includes 70,000 shares issuable upon the exercise of options to purchase common stock.
 - (2) Includes 225,000 shares issuable upon the exercise of options to purchase common stock. Also includes 35,258 shares held by a trust of which Mr. Antal and members of his family are trustees.
 - (3) Includes 210,000 shares issuable upon the exercise of options to purchase common stock.
 - (4) Includes 225,000 shares issuable upon the exercise of options to purchase common stock. Also includes 10,000 shares held by a trust of which Dr. Kasten and members of his family are trustees and 2,000 shares held through a brokerage account in the name of Dr. Kasten's daughter, over which Dr. Kasten has voting and investment power.
 - (5) Includes 95,000 shares and 63,900 shares of common stock that can be acquired through the exercise of options that are directly owned by Mr. Saluck. Also included are 81,000 shares, 25,000 shares issuable upon the exercise of warrants to purchase common stock, and 67,200 shares of common stock that can be acquired through the exercise of options, all of which are owned by Mortar Rock LP. Mr. Saluck has voting power and investment power over these shares and investment power over these shares and warrants as he is the Managing Member of Mortar Rock Capital Management, LLC which manages Mortar Rock LP. The shares of common stock that can be acquired through the exercise of options represent options that were purchased through the open market and were not issued under the Company's Equity Incentive Plan.
 - (6) Includes 585,609 shares issuable upon the exercise of options to purchase common stock. Also includes 87,475 shares of common stock underlying options to purchase common stock and 44,859 shares of common stock issued to Ms. Leah Brownlee, who is employed by us as Vice President - Compliance and Operations and Corporate Secretary. Dr. Kogan disclaims beneficial ownership over the shares beneficially owned directly by Ms. Brownlee. See "Certain Relationships and Related Person Transactions."
 - (7) Includes 485,609 shares issuable upon the exercise of options to purchase common stock and 585,065 shares owned jointly with his wife.
 - (8) Includes 485,609 shares issuable upon the exercise of options to purchase common stock.
 - (9) Includes 81,250 shares issuable upon the exercise of options to purchase common stock.
 - (10) Consists of 25,000 shares issuable upon the exercise of options to purchase common stock.

MANAGEMENT AND CORPORATE GOVERNANCE

The Board of Directors

On May 7, 2013, our Board accepted the recommendation of the Nominating and Corporate Governance Committee and voted to nominate David C. Hohn, James J. Antal, Paul E. DiCorleto, Yakov Kogan, Andrei Gudkov, Julia R. Brown, Anthony J. Principi, and Randy S. Saluck for election at the Annual Meeting for a term of one year to serve until the 2014 Annual Meeting of Stockholders, and until their respective successors have been elected and qualified. Two members of our current Board, Bernard L. Kasten and Michael Fonstein, will retire from the Board at the meeting, following the expiration of their current terms.

Set forth below are the names of all of our current directors, their ages, their offices in the Company, if any, their principal occupations or employment for 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's conclusion at the time of filing of this proxy statement that each nominee should serve as a director is set forth below.

Name	Age	Position with the Company
David C. Hohn, M.D. (1)	71	Director, Chairman of the Board
James J. Antal (1)	62	Director
Julia R. Brown	66	Director
Paul E. DiCorleto, Ph.D. (1)	61	Director
Bernard L. Kasten, M.D.	66	Director
Anthony J. Principi, J.D.	69	Director
Randy S. Saluck, J.D., MBA	47	Director
Yakov Kogan, Ph.D., MBA	40	Director, Chief Executive Officer
Michael Fonstein, Ph.D.	53	Director, President
Andrei Gudkov, Ph.D., D.Sci.	56	Director, Chief Scientific Officer

(1) Member of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

David C. Hohn, M.D. Dr. Hohn has served as one of our directors since June 2011 and was appointed Chairman of our board in April 2013. From March 1997 to April 2007, Dr. Hohn served as President and Chief Executive Officer of the Roswell Park Cancer Institute and Principal Investigator on Roswell Park's National Cancer Institute Cancer Center Support Grant. Dr. Hohn retired from his position as President and Chief Executive Officer at Roswell Park Cancer Institute in April, 2007, assuming the title of President and Chief Executive Officer Emeritus and serving as its part-time Executive Director of Health Policy, a position in which Dr. Hohn serves as an advisor to management regarding federal health care policy. Additionally, Dr. Hohn serves as a member of the Conflict of Interest Committee at Roswell Park. Prior to joining Roswell Park, Dr. Hohn served as the Vice President for Patient Care at the M.D. Anderson Cancer Center in Houston, Texas. Until 2012, Dr. Hohn has been active in New York State cancer control initiatives with the American Cancer Society. In 2011, Dr. Hohn was also tasked with leading the planning for the development of a new pediatric hematology and oncology unit in the soon-to-be constructed John R. Oishei Childrens Hospital, a joint project between Roswell Park and the Kaleida Health System. From 2004 to 2007, he was also a former Chair of the board of directors and member of the Executive Committee of the National Comprehensive Cancer Network, an alliance of 21 leading cancer centers, and serves as a member (and former Vice Chair) of the New York State Stem Cell Research (NYSTEM) Board. Since 2008, Dr. Hohn has served as a member of the board of directors of Calspan University of Buffalo Research Center (CUBRC), a non-profit contract research corporation that is a subsidiary of the State University of New York. Dr. Hohn has previously served as a member of a number of

Western New York civic and professional boards, including Hauptmann-Woodward Medical Institute, Buffalo Niagara Partnership and the Buffalo Philharmonic Orchestra. Dr. Hohn received his undergraduate degree in Chemistry in 1964 at the University of Illinois at Urbana and his Doctorate of Medicine in 1970 from the University of Illinois College of Medicine at Chicago. Dr. Hohn has significant experience in oncology and medical research, coupled with his experience leading a major cancer research center, and, as a result, provides our board with valuable knowledge to the benefit of the Company.

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James J. Antal Mr. Antal became a member of our board in July 2006. Mr. Antal served as Chief Financial Officer of Experian Group Ltd. from 1996 to 2001 and as Chief Investment Officer from 2001 to 2002. Experian is a leading global provider of consumer and business credit information, direct marketing information services, and integrated customer relationship management processes. From 1997 to 2002, he also served on the board of directors of First American Real Estate Solutions, an Experian joint venture with First American Financial Corp. Starting in 2002, Mr. Antal served as an advisor to the board of directors for Plexus Vaccine, Inc., a biotech company, until it was acquired by SIGA Technologies in 2004. In December 2004, he joined the SIGA board of directors, and also currently serves on its audit and corporate governance committees. From May 2004 to August 2005, he was engaged as the Chief Financial Advisor to the Black Mountain Gold Coffee Co. From July 2005 to August 2009, he served on a part-time basis as Chief Financial Officer of Pathway Data Inc., a privately-held company engaged in consumer credit notification and identity theft assistance services. Mr. Antal earned a Bachelor of Science degree in Business Administration with an Accounting major from the Ohio State University in 1973. He became a Certified Public Accountant (Ohio) in 1975. Mr. Antal's experience in accounting and finance, particularly with respect to biotechnology companies and public reporting companies make him an important asset to our board and a qualified Audit Committee Chairman.

Julia R. Brown Ms. Brown has served as one of our directors since April 2013. Ms. Brown has held a variety of executive positions over her 40 year career in the pharmaceutical industry. From January 2000 to July 2003, Ms. Brown was Executive Vice President of Amylin Pharmaceuticals, Inc., responsible for commercial operations. She served as Advisor to the CEO until 2008. Prior to joining Amylin, Ms. Brown was Executive Vice President of Dura Pharmaceuticals, Inc. Ms. Brown spent over 25 years with Eli Lilly and Company in progressively more senior roles including Vice President of IVAC Corporation and General Manager of its Vital Signs Division and Vice President of Worldwide Marketing for Hybritech. Ms. Brown is currently a member of the board of directors of Targacept, Inc. and serves as chair of its compensation committee. She is also a member of the board of directors of Biodel Inc. and serves as chair of its compensation committee and is a member of its nominating and governance committee. Previously, she served on the board of directors of Labopharm, Inc. (acquired by Paladin Labs Inc.) and Tanox, Inc. (acquired by Genentech, Inc.). She is a member of the National Association of Corporate Directors and Women Corporate Directors. Ms. Brown is Vice Chair of Corporate Directors Forum. Ms. Brown is Chair Emerita of the board of trustees of the UC San Diego Foundation and is currently a member of the board of CONNECT, an organization that fosters innovation, entrepreneurship and the formation of new companies in southern California. Ms. Brown is a graduate of Louisiana Tech University where she studied microbiology and biochemistry. Ms. Brown provides our board with drug development and corporate governance expertise.

Paul E. DiCorleto, Ph.D. Dr. DiCorleto has served as one of our directors since June 2003. Since 2002, he has served as the Chair of the Cleveland Clinic Lerner Research Institute and Chair of the Department of Molecular Medicine at the Case Western Reserve University School of Medicine. Dr. DiCorleto's research focuses on the molecular and cellular basis of atherosclerosis. He has been with the Cleveland Clinic since 1981, having served previously as Chair of the Department of Cell Biology, as an Associate Chief of Staff of Cleveland Clinic, and as a current member of the Clinic's Board of Governors and Board of Trustees. On a national level, Dr. DiCorleto has chaired multiple National Institute of Health and American Heart Association review panels, as well as several national conferences on research into heart and vascular disease. He has published over 100 articles in his field. Dr. DiCorleto is a Community Trustee of Cleveland State University and a member of the Association of American Medical College's Advisory Panel on Research. Dr. DiCorleto received his undergraduate training in chemistry at Rensselaer Polytechnic Institute and his doctorate in biochemistry from Cornell University. Dr. DiCorleto's research background, with an emphasis on cell and molecular biology, provides our board with an experienced non-management perspective on the Company's research and development activity.

Bernard L. Kasten, M.D. Dr. Kasten became a member of our board in July, 2006 and was the Chairman of our board from August 2006 until April 2013. From 1995 to 2004, Dr. Kasten served at Quest Diagnostics Incorporated where he was Chief Laboratory Officer and most recently Vice President of Medical Affairs of its MedPlus Inc. subsidiary. Dr. Kasten served as a director of SIGA Technologies from May 2003 to December 2006, and as SIGA's Chief Executive Officer from July 2004 through April 2006. Dr. Kasten has served as the Chairman of the board of GeneLink Inc. since April 2007 and as Chief Executive Officer since December 2010. Dr. Kasten has served as a director of Enzo BioChem Inc. since January 2008. Dr. Kasten is also a director of several privately held companies. Dr. Kasten is a graduate of the Ohio State University College of Medicine. His residency was served at the University of Miami, Florida, and he was awarded fellowships at the National Institutes of Health Clinical Center and National Cancer Institutes, Bethesda, Maryland. He is a diplomat of the American Board of Pathology with certification in anatomic and clinical pathology with sub-specialty certification in Medical Microbiology.

Anthony J. Principi, J.D. Mr. Principi has served as one of our directors since April 2013. Mr. Principi serves as principal of The Principi Group, a consulting firm. From 2005 through 2010, he was Senior Vice President of Government Relations of Pfizer, Inc. Prior to joining Pfizer, Inc., Mr. Principi served as Secretary of the U.S. Department of Veterans Affairs from 2001 through 2005. In 2005, he served as the Chairman of the Defense 2005 Base Realignment and Closure Commission. Prior to becoming Secretary of the U.S. Department of Veterans Affairs, Mr. Principi was President of QTC Medical Services Inc. from 1999 through 2001 and Senior Vice President of Lockheed Martin IMS from 1995 through 1996. Prior to joining Lockheed Martin IMS, Mr. Principi was Chief Counsel and Staff Director of the U.S. Senate Armed Services Committee from 1993 through 1994, and was Chief Counsel and Staff Director of the U.S. Senate Committee on Veterans' Affairs from 1984 through 1988. Mr. Principi serves as a director and member of the corporate governance and compensation and evaluation committees of Mutual of Omaha. He is also a member of the board of directors of Engility Holdings, Inc. and is a member of its compensation committee and its nominating/corporate governance committee. Mr. Principi served as Executive Chairman of QTC Management, and was a director of Perot Systems Corporation. Mr. Principi received a Bachelor of Science from the U.S. Naval Academy and a Juris Doctor from Seton Hall University School of Law. Mr. Principi provides our board with expertise in public health and government affairs.

Randy S. Saluck, J.D., MBA Mr. Saluck has served as one of our directors since May 2013. Mr. Saluck has been the Managing Member of Mortar Rock Capital Management, LLC and the Portfolio Manager of Mortar Rock Capital LP, a value-oriented investment fund, since 2005. From 2002 to 2005, Mr. Saluck was a portfolio manager at the investment fund of Meisenbach Capital, LP and, from 2000 to 2002, Mr. Saluck was a senior analyst at Tyndall Partners, LLC, which invested in value-oriented equities and distressed debt. From 1999 to 2000, Mr. Saluck was an analyst at Highfields Capital Management, LLC, where he was responsible for special situations and risk arbitrage. Prior thereto, Mr. Saluck was an investment banker focused on mergers and acquisitions involving a variety of industries at Salomon Brothers Inc. Before becoming an investment banker, Mr. Saluck was a corporate and securities attorney, working at Cahill Gordon & Reindel LLP and then Tenzer Greenblatt LLP. As an attorney, Mr. Saluck worked with numerous small capitalization companies assisting them in the execution of their financing and strategic plans. He received a Bachelor's degree from the University of Pennsylvania, a Juris Doctor degree from the University of Virginia and an MBA from the Wharton School of the University of Pennsylvania with a concentration in finance and accounting. Mr. Saluck currently serves on the Board of Directors of the Connecticut Region of the Anti-Defamation League. Mr. Saluck provides our board with stockholder perspective and experience in public finance and investor relationships.

Yakov Kogan, Ph.D., MBA Dr. Kogan has served as one of our directors since our inception in June 2003. Dr. Kogan has served as our Chief Executive Officer since June 2012. Previously, he served as our Chief Operating Officer from February 2008 until June 2012 and as our Interim Chief Executive Officer from January 2012 until June 2012. Dr. Kogan also served as our Executive Vice President of Business Development from our inception until February 2008. From 2002 to 2003, he was Director for Business Development at Integrated Genomics where he was responsible for commercial sales and expansion of the company's capital base. Prior to his tenure in business development, Dr. Kogan

worked as a Group Leader/Senior Scientist at Integrated Genomics and ThermoGen, Inc. and as Research Associate at the University of Chicago. Dr. Kogan holds a Ph.D. degree in Molecular Biology from All-Union Research Institute of Genetics and Selection of Industrial Microorganisms (VNIIGenetika) (Moscow, Russia), as well as an MBA degree from the University of Chicago Graduate School of Business. Dr. Kogan's day-to-day leadership as Chief Executive Officer provides our board with intimate knowledge of our operations.

Michael Fonstein, Ph.D. Dr. Fonstein has served as our President and as one of our directors since our inception in June 2003. Dr. Fonstein also served as our Chief Executive Officer from June 2003 until January 2012. Previously, he served as Director of the DNA Sequencing Center at the University of Chicago from its creation in 1994 to 1998, when he left to found Integrated Genomics, Inc. located in Chicago, Illinois. He served as Chief Executive Officer and President of Integrated Genomics, Inc. from 1997 to 2003. Dr. Fonstein has won several business awards, including the Incubator of the Year Award from the Association of University Related Research Parks. He was also the winner of the KPMG Illinois High Tech Award.

Andrei Gudkov, Ph.D., D. Sci. Dr. Gudkov has served as one of our directors and as our Chief Scientific Officer since our inception in June 2003. Prior to 1990, he worked at The National Cancer Research Center in Moscow, where he led a broad research program focused on virology and cancer drug resistance. In 1990, he reestablished his lab at the University of Illinois at Chicago where he became a tenured faculty member in the Department of Molecular Genetics. His lab concentrated on the development of new functional gene discovery methodologies and the identification of new candidate cancer treatment targets. In 2001, Dr. Gudkov moved his laboratory to the Lerner Research Institute at the Cleveland Clinic where he became Chairman of the Department of Molecular Biology and Professor of Biochemistry at Case Western Reserve University. In May 2007, Dr. Gudkov joined Roswell Park Cancer Institute, where he is the Senior Vice President of Basic Science and Chairman of the Department of Cell Stress Biology. Dr. Gudkov provides our board with invaluable insight into the scientific direction of the Company.

Committees of the Board of Directors and Meetings

The Board has established an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee, each comprised entirely of directors who are “independent” as that concept is defined in the corporate governance listing requirements of the NASDAQ Marketplace Rules. Each Committee has a written charter that is posted on our website, www.cbiolabs.com, under the link “Investors” and the section therein titled “Corporate Governance.”

Each of Ms. Brown, Drs. DiCorleto and Hohn and Messrs. Antal, Principi and Saluck is independent under The NASDAQ Marketplace Rules and the Securities Exchange Act of 1934 (the “Exchange Act”).

Meeting Attendance. The Board has adopted a policy specifying that it is the responsibility of each director to attend all meetings of the Board and all meetings of the committees of the Board on which he or she serves. During the fiscal year ended December 31, 2012, there were 13 meetings of our Board. No director attended fewer than 75% of the total number of meetings of the Board and of committees of the Board on which he or she served during fiscal year 2012, except Dr. Gudkov.

The Board has adopted a policy requiring that each director makes every effort to attend each annual meeting of stockholders. All seven directors then in office attended our annual meeting of stockholders held in 2012.

It is also the policy of the Board to hold executive sessions of non-employee directors at each regularly scheduled Board meeting and, if any of the non-employee directors are not independent, to hold executive sessions of the independent directors at least twice per year. Each of the non-employee directors in fiscal year 2012 was determined by the Board to be independent.

Audit Committee. Our Audit Committee met six times during fiscal year 2012. This committee currently has three members, Mr. Antal (Chairman) and Drs. DiCorleto and Hohn.

All members of the Audit Committee satisfy the current independence standards promulgated by the Securities and Exchange Commission and by The NASDAQ Stock Market, as such standards apply specifically to members of audit committees. The Board has determined that Mr. Antal is an “audit committee financial expert,” as the Securities and Exchange Commission has defined that term in Item 407 of Regulation S-K. Please also see the report of the Audit Committee set forth elsewhere in this proxy statement.

The Audit Committee generally has direct responsibility and oversight for our accounting policies and internal controls, financial reporting practices, and legal and regulatory compliance. More specifically, the Audit Committee has responsibility to review and discuss the annual audited financial statements and disclosures with management and the independent auditor; review the financial statements and disclosures provided in our quarterly and periodic reports with management and the independent auditor; and oversee the external audit coverage, including appointment and replacement of the independent auditor and pre-approval of all audit and non-audit services to be performed by the independent auditor.

Compensation Committee. Our Compensation Committee met 14 times during fiscal year 2012. This committee currently has three members, Mr. Antal (Chairman) and Drs. DiCorleto and Hohn.

The Compensation Committee determines and approves the compensation level of executive officers based on an evaluation of their performance in light of our goals and objectives. The Compensation Committee also considers our performance and relative stockholder return, the level and value of similar incentive awards prevalent in the industry, and awards given to executive officers in past years. The Compensation Committee also has the authority to recommend to the Board compensation for directors and the form of this compensation. The Compensation Committee makes recommendations to the full Board with respect to the adoption, amendment, termination, or replacement of both incentive compensation plans and equity-based plans. The Compensation Committee has the power to retain professionals to assist in the evaluation of director and executive compensation, and has the sole authority to retain and terminate any such professional and to approve the professional’s fees. The Compensation Committee may also establish subcommittees of entirely independent directors to evaluate special or unique matters.

For a discussion concerning the processes and procedures for determining executive and director compensation, see “Compensation Discussion and Analysis” and “Executive Officer and Director Compensation.”

Please also see the report of the Compensation Committee set forth elsewhere in this proxy statement.

Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee met one time during fiscal year 2012 and has three members, Drs. Hohn (Chairperson) and DiCorleto and Mr. Antal.

The Nominating and Corporate Governance Committee generally has responsibility for identifying candidates who are eligible under the qualification standards set forth in our Corporate Governance Guidelines and recommending such eligible individuals to serve as members of the Board. It also makes recommendations to the Board concerning the structure and membership of other Board committees. The Nominating and Corporate Governance Committee is also charged with considering matters of corporate governance generally and reviewing and recommending to the Board, periodically, our corporate governance principles.

In addition, under our current corporate governance policies, the Nominating and Corporate Governance Committee may consider candidates recommended by stockholders as well as from other sources such as other directors or officers, third party search firms or other appropriate sources. For all potential candidates, the Nominating and Corporate Governance Committee may consider all factors it deems relevant, such as a candidate’s personal integrity and sound judgment, business and professional skills and experience, independence, knowledge of the industry in which we operate, possible conflicts of interest, diversity, the extent to which the candidate would fill a present need on the Board, and concern for the long-term interests of the stockholders. In general, persons recommended by

stockholders will be considered on the same basis as candidates from other sources.

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If a stockholder wishes to nominate a candidate for director who is not to be included in our proxy statement, it must follow the procedures described in our Second Amended and Restated By-Laws, “—Nominating Procedures” below and “Proposals of Stockholders” at the end of this proxy statement.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines, which it reviews from time to time, to assist the Board in fulfilling its responsibility to exercise its business judgment in what it believes to be the best interests of our stockholders. The Corporate Governance Guidelines are posted on our website, www.cbiolabs.com, under the link “Investors” and the section therein titled “Corporate Governance.”

Code of Ethics for Senior Executives and Independent Directors and Code of Conduct

The Board has adopted a Code of Ethics for Senior Executives and Independent Directors that is specifically applicable to our independent directors, executive officers and senior financial officers, including our principal executive officer and principal financial officer. The Code of Ethics for Senior Executives and Independent Directors is posted on our website, www.cbiolabs.com, under the link “Investors” and the section therein titled “Corporate Governance.” We have also adopted a Code of Conduct in order to promote honest and ethical conduct and compliance with the laws and governmental rules and regulations to which we are subject. The Code of Conduct is applicable to all of our employees, officers and directors, and is posted on our website, www.cbiolabs.com, under the link “Investors” and the section therein titled “Corporate Governance.”

Board Leadership Structure

Our Corporate Governance Guidelines describe our policies concerning, among other things, the role of the Board and management, proper Board functions, independence, and committee matters. The positions of Chairman of the Board and Chief Executive Officer are currently held by different persons, although we do not have a policy requiring that to be the case. Instead, our Board has the authority to choose its Chairman in any way it deems best for us at any given point in time. Accordingly, our Board reserves the right to vest the responsibilities of the Chief Executive Officer and Chairman in the same person or in two different individuals depending on what it believes is in our best interest. At this time, our Board has determined that separation of these roles most appropriately suits us. Dr. Hohn is qualified to serve as our Chairman given his extensive management and corporate governance experience. Further, our Board believes that this division of roles allows our Chief Executive Officer to focus more of his efforts to achieving the goals and objectives of our strategic plan. Our Board believes that there is no single leadership structure that would be most effective in all circumstances and, therefore, retains the authority to modify our Board’s structure to best address our circumstances as and when appropriate.

Role of Our Board in Risk Oversight

The Board, as a whole and at the committee level, has overall responsibility for overseeing our risks, including general oversight of our executive officers’ management of risks relevant to the Company. A fundamental part of risk oversight is not only understanding the material risks a company faces and the steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. The involvement of our Board in reviewing our strategic plan is an integral aspect of the Board’s assessment of management’s tolerance for risk and also its determination of what constitutes an appropriate level of risk for the Company.

At the committee level, the Compensation Committee oversees the management of risks relating to our executive compensation. The Audit Committee oversees our risk policies and processes related to the quality and integrity of our accounting, auditing and financial reporting practices, including our audited and unaudited financial statements and internal controls. The Audit Committee is also responsible for addressing risks arising from related party transactions.

The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board and potential conflicts of interest.

Nominating Procedures

As described above, we have a standing Nominating and Corporate Governance Committee and its charter is posted on our website, www.cbiolabs.com, under the link “Investors” and the section therein titled “Corporate Governance.”

The Nominating and Corporate Governance Committee considers many factors when considering candidates for the Board and strives for the Board to be comprised of directors with a variety of experience and backgrounds, who have high-level managerial experience in a complex organization, and who represent the balanced interest of stockholders as a whole rather than those of special interest groups. Other important factors in Board composition include strength of character, mature judgment, specialized expertise, relevant scientific and technical skills, diversity, level of education, broad-based business acumen, experience and understanding of strategy and policy-setting and the extent to which the candidate would fill a present need on the Board. Depending upon the current needs of the Board, certain factors may be weighed more or less heavily by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee believes that it is essential that the Board members represent diverse viewpoints, with a broad array of experiences, skills and backgrounds that, when considered as a group, provide a sufficient mix of perspectives to allow the Board to best fulfill its responsibilities to the long-term interests of our stockholders.

In considering candidates for the Board, the Nominating and Corporate Governance Committee considers the entirety of each candidate’s credentials and does not have any specific minimum qualifications that must be met by a Nominating and Corporate Governance Committee or stockholder-recommended nominee. However, the Nominating and Corporate Governance Committee does believe that all members of the Board should have the highest character and integrity, a reputation for working constructively with others, sufficient time to devote to Board matters, and no conflict of interest that would interfere with their performance as a director. In the case of current directors being considered for renomination, the Nominating and Corporate Governance Committee will also take into account the director’s history of attendance at meetings of the Board or its committees, the director’s tenure as a member of the Board, and the director’s preparation for and participation in such meetings.

The Nominating and Corporate Governance Committee considers candidates for the Board from any reasonable source, including stockholder recommendations. The Nominating and Corporate Governance Committee does not evaluate candidates differently based on who has made the proposal. The Nominating and Corporate Governance Committee has the authority under its charter to hire consultants or search firms to assist in the process of identifying and evaluating candidates. Candidates are recommended to the Board after consultation with the Chairman of the Board.

Stockholders who wish to suggest qualified candidates should write to the Office of the Secretary, Cleveland BioLabs, Inc., 73 High Street, Buffalo, New York 14203 specifying the name of the candidates and stating in detail the qualifications of such persons for consideration by the Nominating and Corporate Governance Committee. A written statement from the candidate consenting to be named as a candidate and, if nominated and elected, to serve as a director should accompany any such recommendation. Stockholders who wish to nominate a director for election at an annual meeting of stockholders must comply with our Second Amended and Restated By-Laws regarding stockholder proposals and nominations. See “Proposals of Stockholders” contained herein.

Stockholder Communications to the Board

Generally, stockholders who have questions or concerns should contact our Investor Relations department. However, any stockholders who wish to address questions regarding our business directly with the Board, or any individual director, should direct his or her questions in writing to Cleveland BioLabs, Inc. Board of Directors, c/o Office of the Secretary, 73 High Street, Buffalo, New York 14203. The Office of the Secretary will receive the correspondence and forward it to the director or directors to whom the communication is addressed. From time to time, the Board may

change the process or means by which stockholders may communicate with the Board or its members. Please refer to our website, www.cbiolabs.com, for any changes in this process.

Items that are unrelated to the duties and responsibilities of the Board may be excluded, such as:

- junk mail and mass mailings;
- resumes and other forms of job inquiries;
- surveys; and
- solicitations or advertisements.

In addition, any material that is unduly hostile, threatening or illegal in nature may be excluded, provided that any communication that is filtered out will be made available to any independent director upon request.

Executive Officers

The following table sets forth certain information regarding our executive officers who are not also directors. The Board elects officers annually and such executive officers serve at the discretion of the Board. There are no family relationships among any of our directors or executive officers.

Name	Age	Position
C. Neil Lyons, CPA	56	Chief Financial Officer
Jean Viallet, M.D.	55	Chief Development Officer

C. Neil Lyons, CPA Mr. Lyons has been our Chief Financial Officer since September 2011. Mr. Lyons has over 30 years of experience related to operations, finance, SEC compliance, complex financial transactions, strategy, information systems and corporate governance. Prior to joining the Company, from April, 2005 until August, 2011, Mr. Lyons served as Chief Financial Officer and Treasurer of RegeneRx Biopharmaceuticals, Inc., where he led several financial transactions, identified and captured government grant opportunities, directed investor relations activities, developed financial models and implemented investment strategies and employee benefit programs. From 2003 until 2005, Mr. Lyons founded and was the principal of Ironbridge Consulting, a firm that provided financial consulting services, to businesses in the Washington D.C. metro area. From 1998 until 2003, Mr. Lyons was the Vice President, Finance, of SkyBridge Limited Partnership, an international satellite broadband start-up affiliated with Alcatel, where he secured significant amounts of capital and was an active participant in acquisition and joint venture activities. Prior to that, Mr. Lyons served in various positions at Bell Atlantic (now Verizon), from 1996 to 1998, HFS, Inc., a major Department of Defense contractor from 1990 to 1996, and practiced public accounting with Deloitte and Arthur Young from 1979 to 1990. Mr. Lyons is a certified public accountant and received a Bachelor of Science degree in accounting, magna cum laude, from Florida Southern College.

Jean Viallet, M.D. Dr. Viallet joined the Company as our Chief Development Officer in April 2013. Prior to joining us, Dr. Viallet established Viallet Oncology Consulting, LLC after serving as the Chief Medical Officer of Precision Therapeutics, Inc. from October 2011 to March 2012. Prior to this, Dr. Viallet held various positions at Gemin X Pharmaceuticals, Inc. as its Vice President of Clinical Development from November 2002 to December 2006, as its Chief Medical Officer from January 2007 to December 2009 and as its Executive Vice President and Chief Medical Officer from January 2010 to June 2011, culminating in a successful strategic acquisition by Cephalon, Inc. Prior to serving at Gemin X Pharmaceuticals, Inc., Dr. Viallet held senior clinical oncology development positions at GlaxoSmithKline plc from May 2001 to November 2002 and Sanofi from August 1996 to May 2001. Dr. Viallet has also served in several clinical and academic posts at Hospital Notre Dame, Montreal General Hospital, McGill University, and the University of Montreal. Dr. Viallet earned a medical degree from the University of Montreal in Montreal, Quebec, Canada.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This section explains our executive compensation program for 2012 as it relates to our “named executive officers,” or “NEOs,” listed below whose compensation information is presented in the tables following this discussion.

Name	Title
Dr. Yakov Kogan	Chief Executive Officer (1)
Dr. Michael Fonstein	President (2)
Dr. Andrei Gudkov	Chief Scientific Officer
Mr. C. Neil Lyons	Chief Financial Officer

(1) Dr. Kogan became our Interim Chief Executive Officer, effective January 23, 2012, and our Chief Executive Officer, effective June 13, 2012.

(2) Dr. Fonstein was our President and Chief Executive Officer from June 5, 2003 through January 23, 2012. He resigned from the position of Company’s Chief Executive Officer on January 23, 2012 and remains our President.

Executive Summary

Our Compensation Committee believes that our executive compensation program is appropriately designed to incentivize our NEOs to work for our long-term prosperity through pay-for-performance incentives, is reasonable in comparison with the levels of compensation provided by our peer group companies, discourages our NEOs from assuming excessive risks, and reflects a reasonable cost. We believe our NEOs are critical to the achievement of our corporate goals, through which we can drive stockholder value. We therefore give considerable thought to the design and administration of our NEO compensation program.

Our NEO compensation packages are designed around the following principles:

- Align long-term incentive opportunities with stockholder value creation;
- Attract, motivate and retain qualified individuals to contribute to our growth and success;
- Provide competitive compensation opportunities consistent with industry practices where we compete for talent; and
- Maintain a reasonable and responsible cost structure.

The major aspects of our executive compensation program include the following:

- **Competitive Base Pay:** The Compensation Committee regularly reviews base pay benchmark data to confirm that our NEOs’ base pay is in-line with industry practice and whether to make any adjustments.
- **Strong Pay-for-Performance Principles:** A majority of our NEOs’ total potential compensation is contingent on achieving short-term corporate goals as defined in our annual Executive Compensation Plan, referred to in this discussion as our Annual Plan, and our Long-term Executive Compensation Incentive Plan, referred to in this discussion as our Long-term Plan. Our Annual Plan is intended to focus our NEOs on achieving annual value-driving clinical development goals, pre-commercialization. Our Long-term Plan currently has a performance period that expires on December 31, 2016, and is intended to incentivize our NEOs to attain our commercialization goals, either through out-licensing, marketing approval or direct product sales.
- **Responsible Severance Compensation.** Our NEOs’ employment agreements generally provide the executive with severance benefits only if the executive’s employment is involuntarily terminated, or employment terminates due to death or disability. The severance benefits provided in these agreements in the event of an involuntary termination

are limited to six months of base salary, and in the event of termination due to death or disability are limited to a maximum of 18 months base salary, and we do not provide any tax gross-up payments.