IntelGenx Technologies Corp.
Form DEF 14A
April 01, 2011

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 [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
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[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to §240.14a-12

INTELGENX TECHNOLOGIES CORP.

(Name of Registrant as specified in its charter)

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

INTELGENX TECHNOLOGIES CORP.

6425 Abrams
Ville St-Laurent, Quebec H4S 1X9

April 1, 2011

Dear Shareholder:

You are cordially invited to attend the 2011 Annual Meeting of Shareholders (the **Meeting**) of IntelGenx Technologies Corp., which will be held at 10:00 a.m. Eastern Time, on Thursday, May 5, 2011, at the NOVOTEL, 2599 Boulevard Alfred Nobel, Ville St. Laurent, Québec H4S2G1, Canada. Details of the business to be conducted at the Meeting are provided in the attached Notice of Annual Meeting and Proxy Statement. Included with the Proxy Statement is a copy of the Company s 2010 Annual Report. We encourage you to read the Annual Report. It includes information on the Company s operations, markets and products, as well as the Company s audited financial statements.

Whether or not you plan to attend the Meeting, it is important that your shares be represented and voted at the Meeting. Therefore, I urge you to vote your shares as soon as possible. Instructions in the proxy card will tell you how to vote by e-mail, by telephone, or by returning your proxy card by mail. The proxy statement explains more about proxy voting. Please read it carefully.

I look forward to meeting those of you who will be able to attend the Meeting, and I appreciate your continued support of our company.

Sincerely,

Horst G. Zerbe
Chairman, President and Chief Executive Officer

INTELGENX TECHNOLOGIES CORP.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 5, 2011

To the Shareholders of IntelGenx Technologies Corp.:

NOTICE IS HEREBY GIVEN that the 2011 Annual Meeting of Shareholders (the **Meeting**) of IntelGenx Technologies Corp., a Delaware corporation (**IntelGenx** or the **Company**), will be held at 10:00 a.m. Eastern Time on Thursday, May 5, 2011, at the NOVOTEL, 2599 Boulevard Alfred Nobel Ville St. Laurent, Québec H4S2G1, Canada for the following purposes:

1. To elect five directors to the Company s Board of Directors to serve until the next Annual Meeting of Shareholders of the Company and until their successors are duly elected and qualified;

2. To ratify the appointment of RSM Richter LLP as the Company's Independent Registered Public Accountants for the 2011 fiscal year; and

3. To consider and transact such other business as may properly come before the Meeting and any adjournments thereof.

The foregoing items are more fully described in the Proxy Statement, which is attached and made a part of this Notice.

The Board of Directors has fixed the close of business on March 18, 2011 as the date for determining the shareholders of record entitled to receive notice of, and to vote at, the Meeting and any adjournments thereof.

Dated: April 1, 2011 By Order of the Board of Directors,

Ingrid Zerbe
Corporate Secretary

PLEASE PROMPTLY VOTE OVER THE INTERNET AS DESCRIBED ON THE ENCLOSED PROXY CARD, OR COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT PROMPTLY IN THE ENCLOSED ENVELOPE. THE PROMPT RETURN OF PROXIES WILL INSURE A QUORUM AND SAVE THE COMPANY THE EXPENSE OF FURTHER SOLICITATION.

It is desirable that as many shareholders as possible be represented, in person or by proxy, at the Meeting. Consequently, whether or not you now expect to be present, please execute and return the enclosed proxy. You have the power to revoke your proxy at any time before it is exercised, and the giving of a proxy will not affect your right to vote in person if you attend the Meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" ALL OF THE PROPOSALS SET FORTH HEREIN.

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INTELGENX TECHNOLOGIES CORP.

6425 Abrams
Ville St-Laurent, Quebec H4S 1X9

PROXY STATEMENT

2011 ANNUAL MEETING OF SHAREHOLDERS

May 5, 2011

Introduction

This Proxy Statement is furnished in connection with the solicitation of proxies on behalf of the Board of Directors of IntelGenx Technologies Corp. (the **Company**) for use at the Company's Annual Meeting of Shareholders to be held on May 5, 2011, and at any adjournment thereof (the **Meeting**). Further, solicitation of proxies may be made personally, or by telephone or facsimile, by regularly employed officers and other employees of the Company, who will receive no additional compensation for such.

Only shareholders of record (each a **Shareholder** and collectively, the **Shareholders**) at the close of business on March 18, 2011 (the **Record Date**) are entitled to vote at the Meeting. As of the Record Date, there were issued and outstanding 39,808,896 shares of the Company's common stock (the **Common Stock**). Each outstanding share of Common Stock is entitled to one vote on all matters properly coming before the Meeting. All properly executed, unrevoked proxies on the enclosed form of proxy that are received in time will be voted in accordance with the Shareholder's directions and, unless contrary directions are given, will be voted for the proposals (each a **Proposal** and collectively the **Proposals**) described herein. Anyone giving a proxy may revoke it at any time before it is exercised by giving the board of directors of the Company written notice of the revocation, by submitting a proxy bearing a later date or by attending the Meeting and voting in person.

The presence in person or by properly executed proxy of holders representing a majority of the issued and outstanding shares of the Common Stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Meeting. Assuming a quorum is present at the Meeting, approval of each of the two proposals presented herein requires the vote of a majority of the shares of Common Stock present or represented by proxy and voting at the Meeting. Votes cast by proxy or in person at the Meeting will be tabulated by the Secretary of the Company who will act as inspector of elections and who will determine whether or not a quorum is present. Shares of Common Stock represented by proxies that are marked abstain will be included in the determination of the number of shares present and voting for purposes of determining the presence or absence of a quorum for the transaction of business. Abstentions are not counted as voted either for or against a Proposal.

The Board of Directors of the Company (the Board) has adopted and approved each of the Proposals set forth herein and recommends that the Company's Shareholders vote FOR each of the Proposals.

Copies of the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (the **2010 Fiscal Year**) including the audited financial statements set forth therein, which are incorporated by reference into this Proxy Statement and made a part hereof, are being mailed or sent electronically concurrently herewith to all Shareholders of record at the close of business on March 18, 2011.

This Proxy Statement, the accompanying Notice of Meeting and the form of proxy have been first mailed to the Shareholders on or about April 1, 2011.

The date of this Proxy Statement is April 1, 2011.

QUESTIONS AND ANSWERS ABOUT THE MEETING AND VOTING

1. WHAT IS A PROXY?

It is your legal designation of another person to vote the stock that you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. Dr. Horst Zerbe, our President and Chief Executive Officer, has been designated as a proxy for the 2011 Annual Meeting of Shareholders.

2. WHAT IS THE RECORD DATE AND WHAT DOES IT MEAN?

The record date for the 2011 Annual Meeting of Shareholders is March 18, 2011. The record date is established by the Company as required by Delaware law and our By-laws. Shareholders of record (registered shareholders and street name holders) at the close of business on the record date are entitled to:

(a) receive notice of the meeting; and

(b) vote at the meeting and any adjournments or postponements of the meeting.

3. WHAT IS THE DIFFERENCE BETWEEN A REGISTERED SHAREHOLDER AND A SHAREHOLDER WHO HOLDS STOCK IN STREET NAME?

If your shares of stock are registered in your name on the books and records of our transfer agent, you are a registered shareholder.

If your shares of stock are held for you in the name of your broker or bank, your shares are held in street name. The answer to Question 12 describes brokers' discretionary voting authority and when your bank or broker is permitted to vote your shares of stock without instructions from you.

4. WHAT ARE THE DIFFERENT METHODS THAT I CAN USE TO VOTE MY SHARES OF COMMON STOCK?

(a) Vote By Internet

All shareholders of record can vote by Internet as instructed on the proxy card.

(b) In Writing:

All shareholders of record can vote by mailing in their completed proxy card (in the case of registered shareholders) or their completed vote instruction form (in the case of street name holders).

(c) In Person:

All shareholders may vote in person at the meeting (unless they are street name holders without a legal proxy).

5. HOW CAN I REVOKE A PROXY?

You can revoke a proxy prior to the completion of voting at the meeting by:

(a) giving written notice to our Secretary;

(b) delivering a later-dated proxy; or

(c) voting in person at the meeting.

6. WHAT ARE THE VOTING CHOICES WHEN VOTING ON DIRECTOR NOMINEES, AND WHAT VOTE IS NEEDED TO ELECT DIRECTORS?

When voting on the election of director nominees to serve until the 2012 Annual Meeting of Shareholders, shareholders may:

(a) vote in favor of all nominees;

(b) vote to withhold votes as to all nominees; or

(c) withhold votes as to specific nominees.

Directors will be elected by a plurality of the votes cast. Our Board recommends a vote FOR all of the nominees.

7. WHAT ARE THE VOTING CHOICES WHEN VOTING ON THE RATIFICATION OF THE SELECTION OF RSM RICHTER CHAMBERLAND LLP, AND WHAT VOTE IS NEEDED TO RATIFY ITS SELECTION?

When voting on the ratification of the selection of RSM Richter Chamberland LLP as our independent registered public accounting firm, shareholders may:

(a) vote in favor of the ratification;

(b) vote against the ratification; or

(c) abstain from voting on the ratification.

The selection of the independent registered public accounting firm will be ratified if the votes cast FOR are a majority of the votes present at the meeting. The Board recommends a vote FOR this proposal.

8. WHAT IF A SHAREHOLDER DOES NOT SPECIFY A CHOICE FOR A MATTER WHEN RETURNING A PROXY?

Shareholders should specify their choice for each matter on the enclosed proxy. If no specific instructions are given, proxies which are signed and returned will be voted FOR the election of all director nominees, and FOR the proposal to ratify the selection of RSM Richter ChamberlandLLP.

9. WHO IS ENTITLED TO VOTE?

You may vote if you owned stock as of the close of business on March 18, 2011. Each share of our common stock is entitled to one (1) vote.

10. WHAT DOES IT MEAN IF I RECEIVE MORE THAN ONE PROXY CARD?

It means that your shares are registered differently or that you have multiple accounts with brokers or our transfer agent. Please vote all of these shares. We recommend that you contact your broker or our transfer agent to consolidate as many accounts as possible under the same name and address. Our transfer agent is StockTrans, 44 W. Lancaster Ave., Ardmore PA 19003, Tel. 610-649-7300.

11. WILL MY SHARES BE VOTED IF I DO NOT PROVIDE MY PROXY?

If your shares are registered in your name, they will not be voted unless you submit your proxy card, or vote in person at the meeting. If your shares are held in street name, your bank, brokerage firm or other nominee, under some circumstances, may vote your shares.

Brokerage firms, banks and other nominees may vote customers' un-voted shares on routine matters. Generally, a broker may not vote a customer's un-voted shares on non-routine matters without instructions from the customer and must instead submit a broker non-vote. A broker non-vote is counted toward the shares needed for a quorum, but it is not counted in determining whether a matter has been approved.

12. ARE ABSTENTIONS AND BROKER NON-VOTES COUNTED?

Broker non-votes will not be included in vote totals and will not affect the outcome of the vote for directors. In matters other than the elections of directors, abstentions and broker non-votes have the effect of votes against a proposal in tabulations of the votes cast on proposals presented to shareholders.

13. HOW MANY VOTES MUST BE PRESENT TO HOLD THE MEETING?

To hold the meeting and conduct business, one-third of our outstanding voting shares as of March 18, 2011 must be present or represented by proxy at the meeting. On this date, a total of 39,808,896 shares of our common stock were outstanding and entitled to vote. Shares representing one-third must be present. This is called a quorum.

Votes are counted as present at the meeting if the shareholder either:

(a) Is present and votes in person at the meeting; or

(b) Has properly voted by Internet or submitted a proxy card.

14. WHERE CAN I FIND THE VOTING RESULTS OF THE ANNUAL MEETING?

We will announce preliminary voting results at the annual meeting and publish final results on a current report filed on Form 8-K within four business days of the end of the meeting.

15. UNDER WHAT CIRCUMSTANCES WOULD THE ANNUAL MEETING BE ADJOURNED?

The annual meeting may be adjourned in the absence of a quorum for the purpose of obtaining a quorum.

Any adjournment may be made without notice, other than by an announcement made at the annual meeting, by the affirmative vote of a majority of the voting shares present in person or by properly executed proxy at the annual meeting.

WHO CAN HELP ANSWER YOUR QUESTIONS

If you have any questions about any of the proposals to be presented at the annual meeting or how to submit your proxy card, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, you should contact:

INTELGENX TECHNOLOGIES CORP.
6425 Abrams
Ville St-Laurent, Quebec H4S 1X9
Telephone: 514-331-7440
Facsimile: 514-331-0436
Email: ingrid@intelgenx.com
Attention: Ingrid Zerbe

PROPOSAL 1
ELECTION OF DIRECTORS

General

Five directors are to be elected to the Company s Board of Directors at the Meeting to hold office until the next annual meeting or until their successors are elected. Assuming a quorum is present, the five nominees receiving the highest number of affirmative votes of shares entitled to be voted for such persons will be elected as directors of the Company for the ensuing year. Unless marked otherwise, proxies received will be voted FOR the election of the nominees named below. The following schedule sets forth certain information concerning the nominees for election as directors.

In the event the nominees are unable or unwilling to serve as directors at the time of the Meeting, the proxies will be voted for any substitute nominees designated by the present Board or the proxy holders to fill such vacancy, or for the balance of the nominees named without nomination of a substitute, or the size of the Board will be reduced in accordance with the Bylaws of the Company. The Board has no reason to believe that the persons named below will be unable or unwilling to serve as nominees or as directors if elected.

Shareholder Vote Required

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THIS PROPOSAL 1 TO ELECT THE NOMINEES TO THE BOARD OF DIRECTORS LISTED BELOW.

Listed below are the nominees for directors, with information showing the principal occupation or employment of the nominees for director, the principal business of the corporation or other organization in which such occupation or employment is carried on, and such nominees business experience during the past five years. Such information has been furnished to the Company by the director nominees:

Name	Age	Director since
Horst G. Zerbe, Ph.D.	64	2006
J. Bernard Boudreau	67	2006
John (Ian) Troup	68	2008
Bernd J. Melchers	58	2009
John Marinucci	54	2010

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth certain information as of March 15, 2011 concerning the directors and officers. The biographies of each of the director nominees below contain information regarding the individual s service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Nominating and Corporate Governance Committee and the Board of Directors to determine that the person should serve as a director for the Company.

Name	Age	Position	Position since
Horst G. Zerbe	64	President and Chief Executive Officer, Director	April 2006
Paul A. Simmons	49	Chief Financial Officer	September 2008
J. Bernard Boudreau(1) (2)	67	Director	June 2006
Ian Troup(1) (2)	68	Director	May 2008
Bernd J. Melchers (1)	58	Director	April 2009
John Marinucci	54	Director	August 2010
Ingrid Zerbe	56	Corporate Secretary and Director of Finance and Administration	April 2006

(1) Audit Committee member
(2) Compensation Committee member

All directors hold office until the next annual meeting of shareholders and until their successors have been duly elected and qualified. There are no agreements with respect to the election of directors. Officers are appointed annually by the board of directors and each executive officer serves at the discretion of the board.

Horst G. Zerbe, Ph.D.

Dr. Zerbe has more than 20 years experience in the pharmaceutical industry. He has been the President, Chief Executive Officer, and Chairman of IntelGenx Technologies Corp. since April 2006. In addition, Dr. Zerbe has served as the President, Chief Executive Officer and Director of IntelGenx Corp., our Canadian Subsidiary, since 2005. From 1998 to 2005, he served as the president of Smartrix Technologies Inc. in Montreal; prior thereto, from 1994 to 1998, he was Vice President of R&D at LTS Lohmann Therapy Systems in West Caldwell, NJ. Dr. Zerbe has extensive executive level experience, and has been responsible for many strategic and business initiatives. Dr. Zerbe has been involved in new drug development and the acquisition and disposition of new drug candidates and other technology, licensing and distribution matters that are likely to affect our company s own business efforts. He has published numerous scientific papers in recognized journals and holds over 30 patents. Dr. Zerbe is married to Ingrid Zerbe, our Corporate Secretary and Director of Finance and Administration.

In nominating Dr. Zerbe to serve as a director, the Board of Directors considered his broad industry-specific technical and business experience both with our company and with other pharmaceutical companies. The Board of Directors believes that his experience is a strong asset as our company encounters challenges similar to those Dr. Zerbe has been involved with at other companies.

Paul A. Simmons

Mr. Simmons was appointed as our Chief Financial Officer in September 2008. From 2003-2008, Mr. Simmons was employed by the CLAAS Group, a leading manufacturer of agricultural harvesting machinery. Mr. Simmons was initially based at Group HQ in Germany as Head of Corporate Controlling. In August 2005, he transferred to the Baler Manufacturing subsidiary (Usines CLAAS France) as Director of Finance and Administration, where he was responsible for developing and implementing a business turnaround plan. Following the success of the turnaround,

Mr. Simmons was transferred in September 2006 to the French subsidiary Renault Agriculture as Head of Corporate and Industrial Controlling with the mandate to restructure and integrate the newly acquired Tractor Manufacturing Division into the CLAAS Group.

Mr. Simmons international finance credentials include an Association of Financial Controllers and Administrators (AFCA) certification, and a designation with the Association of Accounting Technicians (AAT). He has expertise in both U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS).

J. Bernard Boudreau

Mr. Boudreau has been a director of IntelGenx Technologies Corp. since June 2006. From 2005 to 2008, Mr. Boudreau served as the Vice-President of Pharmeng International Inc., a pharmaceutical manufacturing and consulting company listed on the Toronto Stock Exchange. Since 2001, he has been President and CEO of Radcliffe Consulting and Investment Limited, a private consulting firm located in Halifax, N.S. Mr. Boudreau has also served on the Board of Directors of a number of public and private companies, including Export Development Canada and the Bank of Canada. He also currently serves on the board of directors at Pillar5 Pharma, a privately owned Canadian Company, and one of our manufacturing partners.

Mr. Boudreau has a distinguished record as a lawyer, businessman and public figure. His litigation experience includes successful appearances at every level of the judicial system in Nova Scotia. He was appointed as Queen's Counsel in 1985. Mr. Boudreau was first elected to the provincial legislature of Nova Scotia in 1988. He served as Chair of the Public Accounts Committee and opposition critic for Finance and Economic Development. In 1993, he was re-elected as a member of government and held responsibilities as Minister of Finance, Minister of Health, Chair of the Cabinet Priorities and Planning Committee. Mr. Boudreau served as Government Leader in the Senate of Canada and Member of the federal Cabinet between 1999 and 2001.

In deciding to nominate Mr. Boudreau, our Board considered his service as a director for a number of public and private companies and his broad experience with governance issues facing public companies. The Board also believes his extensive business and legal experience both inside and outside of our industry help him bring technical and non-technical perspectives when handling matters arising before the Board of Directors.

Ian (John) Troup

Mr. Troup has been a director of IntelGenx Technologies Corp. since May 2008. From April 2008 to December 2009, Mr. Troup was a Director of Vital Medix, an early stage drug development company. In July 2007, he was appointed to the Board of Medisyn Technologies Inc., a privately held "in silica" drug discovery and development company. From September 1995 until his retirement in December 2003, Mr. Troup was President and Chief Operating Officer of Upsher-Smith Laboratories, a privately held pharmaceutical company. Prior to this, he served as President of Schwarz Pharma in the UK for seven years, followed by serving as President of Schwarz Pharma USA in Minnesota for an additional nine years.

Born and educated in Scotland, Mr. Troup has worked in the pharmaceutical industry for over 35 years. Originally an industrial chemist, he held executive positions in sales and marketing for several leading companies. His experience includes new product development and launch, M&A and strategic planning.

In deciding to nominate Mr. Troup, the Board considered his track record and knowledge of our industry, as demonstrated by his leadership positions in the companies where he was employed, as well as his service as a director on various boards. The Board also believes his experience with new product launch and strategic planning are of particular value to a company in our stage of development.

Bernd J. Melchers

Mr. Melchers has been a director of IntelGenx Technologies Corp. since April 2009. From January 2001 until his retirement in December 2004, Mr. Melchers was Managing Director of 3M Dyneon Holding GmbH, Germany and Global Chief Financial Officer of the world wide operating 3M Dyneon Group, a subsidiary of 3M Corporation headquartered in Minnesota. Prior to this he served, from July 1995 to December 2000, as the Controller at the European Business Center of 3M Medical Markets Europe in Belgium. Prior to this, he held various senior Financial Manager positions at the Medical-Surgical Division of 3M in St. Paul, Minnesota, at 3M Health Care Products, Germany, and at 3M Pharmaceutical Products, Germany.

In deciding to nominate Mr. Melchers, the Board considered his 30-years experience within the pharmaceutical and health care industry, together with his extensive hands-on international experience in corporate financial management. The Board also considered his extensive operational and financial expertise, as well as his track record and achievements as chief financial officer of a pharmaceutical company.

John Marinucci, C.A., ICD.D

Mr. Marinucci has been a Director of IntelGenx Technologies Corp. since August 2010. From April 2002 until March 2009, Mr. Marinucci was President and Chief Executive Officer at New Flyers Industries Inc. (NFI), a publicly

traded company listed on the Toronto Stock Exchange. NFI is the largest North American manufacturer of heavy-duty transit buses. Mr. Marinucci retired from this position on March 31, 2009 and remains on the board of directors. Prior to this he was, from March 1994 to April 2002, President and Chief Operating Officer at National Steel Car Limited (NSC) and is a former President of the Canadian Association of Railway Suppliers. Currently he also serves on the Board of Directors of New Flyer, CWB Group, SMTC Corporation and he is the Vice Chair of Board of Governors for Mohawk College. He also currently serves on the board of directors at Pillar5 Pharma, a privately owned Canadian Company, and one of our manufacturing partners. Mr. Marinucci is a chartered accountant and a member of the Institute of Corporate Directors.

In deciding to nominate Mr. Marinucci, the Board considered his varied experience at Executive Management and Board level in other organizations, together with his experience of leading TSX-Listed publicly traded companies. At the same time, the Board acknowledged the strategic business relationship developed between IntelGenx and Pillar5 Pharma, of which Mr. Marinucci is also a member of the Board.

Ingrid Zerbe

Mrs. Zerbe is our Corporate Secretary, Director of Finance and Administration and is a full time employee of IntelGenx. Mrs. Zerbe is the founder of IntelGenx Corp., our Canadian Subsidiary. She served as the president of IntelGenx Corp, since its incorporation in June 2003 until December 2005. She has been a Director of the subsidiary since its incorporation in June 2003 and a Director of the parent company from April 2006 until August 2006. Prior to founding IntelGenx, she worked in the travel industry. She holds a bachelor degree in economics from a business school in Bottrop, Germany, and a bachelor degree in social sciences from the University of Dortmund, Germany. Mrs. Zerbe is married to Dr. Horst Zerbe, who is a Director and our President and Chief Executive Officer.

Key Personnel

Nadine Paiement, MSc

Ms. Paiement serves as our Director of Research & Development. She joined IntelGenx in 2006. Ms. Paiement holds a M.Sc. degree in Polymer Chemistry from Sherbrooke University, and is co-inventor of IntelGenx's Tri-Layer technology. Prior to joining IntelGenx, she worked for five years as a formulation scientist at Smartrix Technologies, Inc.

CORPORATE GOVERNANCE

Officers

Officers of the Company are elected by the Board of Directors on an annual basis and serve until their successors have been duly elected and qualified.

Board of Directors

The business and affairs of the Company are managed under the direction of its Board of Directors. The Company s Board of Directors currently consists of five members.

Independence of Members of the Board of Directors

The Board of Directors has determined that four of our director nominees, Bernie Boudreau, Ian Troup, Bernd Melchers and John Marinucci, are independent within the meaning of the director independence standards of both The Nasdaq Stock Market, Inc. and the SEC, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended.

Meetings of the Board of Directors

The Company's Board of Directors held four meetings during our 2010 Fiscal Year. All our directors attended all of the meetings and all of the committee meetings on which they served.

The Company encourages the members of the board to attend the Annual General Meeting to be available to answer shareholder s questions. At the last Annual Meeting in June 2010, all our directors attended the Meeting via phone.

Compensation of the Board of Directors

Directors are reimbursed for their out-of-pocket expenses incurred in attending meetings of the Board of Directors. As described below in "Director Compensation", during our 2010 Fiscal Year, three of our non-employee directors were granted options to purchase an aggregate of 225,000 shares of our common stock. During our 2010 Fiscal Year, our non-employee directors of the board received an annual stipend of CAD$12,000, paid in quarterly installments. Furthermore, an attendance fee of CAD$1,000 was paid per board meeting. The chairmen of the board committees received an additional CAD$500 and the members of the committees received an additional CAD$250 for attending the committee meetings.

Committees of the Board of Directors

The Board of Directors has two standing committees: the Audit Committee and the Compensation Committee. There is no Nomination Committee.

Audit Committee. The Audit Committee is currently composed of J. Bernard Boudreau, Ian Troup and Bernd Melchers. The Audit Committee held four meetings during our 2010 Fiscal Year.

Our Audit Committee assists our board of directors in fulfilling its responsibilities for oversight and supervision of financial and accounting matters. The chairman of the Audit Committee is J. Bernard Boudreau. Our Audit Committee s responsibilities include, among others (i) recommending to the board of directors the engagement of the external auditor and the terms of the external auditor s engagement; (ii) overseeing the work of the external auditor, including dispute resolution between management and the external auditor, if required; (iii) pre-approving all non-audit services to be provided to us by our external auditor; (iv) reviewing our financial statements, management s discussion and analysis and annual and interim earnings press releases before this information is publicly disclosed; (v) assessing the adequacy of procedures for our public disclosure of financial information; (vi) establishing procedures to deal with complaints received by us relating to our accounting and auditing matters; and (vii) reviewing our hiring policies regarding employees of our external auditor or former auditor. We have adopted, along with our Audit Committee, a written charter of the Audit Committee setting out the mandate and responsibilities of the Audit Committee which provides that the Audit Committee convene no less than four times per year.

The Audit Committee Charter is posted on our website at http://www.intelgenx.com.

Accordingly, the Audit Committee discusses with RSM Richter Chamberland, LLP, our auditors, our audited financial statements, including, among other things, the quality of our accounting principles, the methodologies and accounting principles applied to significant transactions, the underlying processes and estimates used by our management in our financial statements and the basis for the auditor's conclusions regarding the reasonableness of those estimates, in addition to the auditor's independence.

Audit Committee Financial Expert. Mr. Bernd Melchers serves as the Financial Expert of the Audit Committee. Mr. Melchers is an independent director as defined in the Nasdaq Stock Market, Inc. Marketplace Rules.

Compensation Committee. The Compensation Committee of the Board of Directors currently consists of Ian Troup and J. Bernard Boudreau. The Compensation Committee held its formal annual meeting in December 2, 2010 during the 2010 Fiscal Year.

Our Compensation Committee reviews and makes recommendations to our board of directors concerning the compensation of our executive officers and key employees which include the review of our executive compensation and other human resource policies, the review and administration of any bonuses and stock options and major changes to our benefit plans and the review of and recommendations regarding the performance of the Chief Executive Officer and the Chief Financial Officer of the Company. Our Compensation Committee is comprised of non-management members of our board of directors and is required to convene at least annually. Mr. Ian Troup is the chairman of the committee. The Compensation Committee does not have a charter.

Compensation Committee Interlocks and Insider Participation. As stated above, the Compensation Committee consists of J. Bernard Boudreau and Ian Troup. There are no interlocking relationships, as described by the Securities and Exchange Commission, between the Compensation Committee members.

Executive Compensation

The key objectives of the Company's executive compensation policies are to attract and retain key executives who are important to the long-term success of the Company and to provide incentives for these executives to achieve high levels of job performance and enhancement of shareholder value. The Company seeks to achieve these objectives by paying its executives a competitive level of base compensation for companies of similar size and industry and by providing its executives an opportunity for further reward for outstanding performance in both the short term and the long term.

Executive Officer Compensation. The Company's executive officer compensation program is comprised of three elements: base salary, annual cash bonus and long-term incentive compensation in the form of stock option grants.

Salary. The Compensation Committee and the Board of Directors will review base salaries for the Company's executive officers, taking into account individual experience, job responsibility and individual performance during the prior year. These factors are not assigned a specific weight in establishing individual base salaries. The Compensation Committee will also consider the Company's executive officers' salaries relative to salary information for executives in similar industries and similarly sized companies.

Cash Bonuses. The purpose of the cash bonus component of the compensation program is to provide a direct financial incentive in the form of cash bonuses to executives.

Stock Options. Stock options are the primary vehicle for rewarding long-term achievement of Company goals. The objectives of the program are to align employee and shareholder long-term interests by creating a strong and direct link between compensation and increases in share value. Under the Company's Stock Option Plan, the Board of

Directors or the Compensation Committee may authorize the grant of options to purchase common stock of the Company to key employees of the Company. The options generally vest in increments over a period of years established at the time of grant except for the options granted to the non-employees directors which vest immediately.

Nomination of Directors

We do not have a standing nominating committee and there is no written charter governing the nomination process. Nominations are made annually by our Board of Directors. Our Board of Directors believes it is appropriate for the full Board of Directors to serve this function.

The Board s process for identifying and evaluating potential nominees includes soliciting recommendations from directors and officers of the Company, holding meetings from time to time to evaluate biographical information and background materials relating to potential candidates and interviews with candidates. Additionally, the Board will consider persons recommended by shareholders of the Company in selecting the Board s nominees for election.

In considering whether to nominate any particular candidate, our Board of Directors applies various criteria, including the candidate s integrity, business acumen, knowledge of our business and industry, age, experience, diligence, the ability to act in the interests of all stockholders and any potential conflicts of interest. In addition to the foregoing criteria, our Board of Directors also considers diversity in its evaluation of candidates for board membership. Our Board of Directors believes that diversity with respect to viewpoint, skills and experience should be an important factor in board composition. Our Board of Directors does not assign specific weight to particular criteria, and no particular criterion is a prerequisite for each prospective nominee. Our Board of Directors believes that the backgrounds and qualifications of its directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow our Board of Directors to fulfill its responsibilities.

Stockholders may recommend individuals to our Board of Directors for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials to our principal office, 6425 Abrams, Ville St.-Laurent, Quebec H4S 1X9, Attn: Secretary. Assuming that appropriate biographical and background material has been provided on a timely basis, our Board of Directors will evaluate stockholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others. If our Board of Directors determines to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included in our proxy card for the next annual meeting.

Involvement in Certain Legal Proceedings

None of our officers or directors have, during the last ten years: (i) been convicted in or is currently subject to a pending a criminal proceeding; (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to any federal or state securities or banking laws including, without limitation, in any way limiting involvement in any business activity, or finding any violation with respect to such law, nor (iii) has any bankruptcy petition been filed by or against the business of which such person was an executive officer or a general partner, whether at the time of the bankruptcy or for the two years prior thereto, other than Mr. Boudreau who was formerly the Vice President of Pharmeng International Inc. from 2005 to 2008, which since filed for bankruptcy on April 14, 2009. He was also a Director of Pharmeng until April 13, 2009.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires directors, officers and persons who own more than 10% of a registered class of our equity securities to file reports of ownership and change in ownership with the Securities and Exchange Commission. Directors, officers and greater than 10% shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

Based solely upon our review of the copies of such forms that we received during the fiscal year ended December 31, 2010, we believe that each person who at any time during the fiscal year was a director, officer, or beneficial owner of more than ten percent of our common stock complied with all Section 16(a) filing requirements during such fiscal year.

Communications with the Board

Any record or beneficial owner of the Company's common stock who wishes to communicate with the Board of Directors should contact the Chairman of the Board or the Chairman of the Audit Committee. If particular communications are directed to the full Board, independent directors as a group, or individual directors, the Chairman of the Board or the Chairman of the Audit Committee, as applicable, will route these communications to appropriate committees or directors if the intended recipients are clearly indicated.

Any record or beneficial owner of the Company's common stock who has concerns about the Company's accounting, internal accounting controls, or auditing matters relating to the Company should also contact the Audit Committee.

Written communications should be addressed to IntelGenx Technologies Corp., 6425 Abrams, Ville St-Laurent, Quebec H4S 1X9, Canada, Attention: Chairman of the Board/Chairman of the Audit Committee. Communications that are intended to be anonymous should be sent to the same address but without indicating your name or address, and with an interior envelope addressed to the specific committees or directors you wish to communicate with.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our directors and officers, including our principal executive officer, principal financial officer and principal accounting officer. The Code of Business Conduct and Ethics is posted on our website at http://www.intelgenx.com.

EXECUTIVE COMPENSATION

The following table sets forth all compensation awarded to, or earned by, our Principal Executive Officer, and our two other most highly compensated executive officers for the years indicated.

Name and principal position (a)	Year (b)	Salary ($) (c)	Bonus	Option Awards ($) (f)	All Other Compensation ($) (i)	Total ($) (j)
Horst Zerbe,	2010	193.320	Nil	Nil	Nil	193,320
President and CEO	2009	176,622	38,060[1]	10,496	Nil	225,178
Paul A. Simmons	2010	153,689	Nil	Nil	Nil	153,689
CFO[1]	2009	146,348	$24,409[2]	10,496	Nil	181,253

Footnotes:

(1) Mr. Zerbe received two cash bonuses in the aggregate amount of $38,060 and options to purchase 25,000 shares of common stock.

(2) Mr. Simmons received two cash bonuses in the aggregate amount of $24,409 and options to purchase 25,000 shares of common stock.

Compensation Discussion and Analysis

Employment Agreements

Horst Zerbe. Effective December 1, 2005, we entered into an employment agreement with Dr. Horst Zerbe, our President and Chief Executive Officer. The agreement is for an indefinite period of time. Under the agreement, Dr. Zerbe is entitled to receive: (1) a minimum base salary of CAN$175,000 per year; and (2) an annual bonus equal to 50% of base salary upon the performance of certain milestones set out by the board of directors.

As per recommendation of the Compensation Committee the board of directors approved the increase of Mr. Zerbe s minimum base salary by 5% to CAN$ 183,750 effective as of September 2008 (US$171,364 at year-end 2008). Effective November 15, 2009 the board of directors approved the increase of Mr. Zerbe s minimum base salary to CAN$ 200,00 (US$ 190,300 at year-end 2009) a one-time bonus payment of CAD$ 25,000 and the grant of options to purchase 25,000 shares of common stock under the company s 2006 Stock Options Plan, following the recommendation of the Compensation Committee.

Paul A. Simmons. Effective September 1, 2008, we entered into an employment agreement with Mr. Paul A. Simmons, to serve as our Chief Financial Officer. Under the agreement, Mr. Simmons is entitled to receive: (1) a minimum base salary of CAN$150,000 (US$110,965 at year-end 2008) per year, and (2) option grants under the 2006 Stock Option Plan, and (3) an annual bonus up to 30% of his base salary upon the archievement of specific performance targets established by the the board of directors.

As per recommendation of the Compensation Committee the board of directors approved the increase of Mr. Simmons minimum base salary by 6% to CAN$ 159,000 (US$ 151,290 at year-end 2009) effective as of August 2009, a one-time bonus payment of CAD$ 15,000 and the grant of 25,000 options to purchase common stock under the company s 2006 Stock Options Plan.

Incentive Plan Awards

The following table presents information regarding the outstanding equity awards held by each of the named officers as of December 31, 2010, including the vesting dates for the portions of these awards that had not vested as of that date.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
(a)	(b)	(c)	(d)	(e)	(f)
Horst G. Zerbe	12,500 [2]	12,500[2]	Nil	0.61	Nov. 24, 2014
	225,000		Nil	0.41	Nov. 9, 2011
Paul A. Simmons	12,500[2]	12,500[2]	Nil	0.61	Nov. 24, 2014
	100,000[1]	Nil [1]	Nil	0.85	Sept. 8, 2013

Footnotes:

(1) On September 8, 2008, 100,000 options were granted to Mr. Paul Simmons in connection with his employment agreement. The options vest over two years, all of which are exercisable as of year-end 2010.

(2) On November 24, 2009, the board of directors approved the grant of 25,000 options to purchase common stock to each Mr. Horst Zerbe and Mr. Paul Simmons. The options vest over two years, 12,500 of which are exercisable as of year-end 2010.

Director Compensation

The following table sets forth compensation paid to each named director during the year end December 31, 2010.

In addition, directors are reimbursed for reasonable expenses incurred in their capacity as directors, including travel and other out-of-pocket expenses incurred in connection with meetings of the board of directors or any committee of the board of directors.

DIRECTOR COMPENSATION							
Name (a)	Fees Earned or Paid in Cash ($) (b)	Stock Awards ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Non-Qualified Deferred Compensation Earnings ($) (f)	All Other Compensation ($) (g)	Total ($) (j)
J. Bernard Boudreau[2]	17,640[2]	Nil	Nil	Nil	Nil	Nil	17,640
John (Ian) Troup[2]	16,718[2]	Nil	Nil	Nil	Nil	Nil	16,718
Bernd J. Melchers	16,251[2]	Nil	20,574[1]	Nil	Nil	Nil	36,825
Thomas Kissel	3,866[2]	Nil	17,610[3]	Nil	Nil	Nil	21,476
John Marinucci	6,766[2]	Nil	17,610[3]	Nil	Nil	Nil	24,376

Footnotes:

(1) Represents 75,000 options to purchase common stock granted on May 17, 2010.

(2) Effective as at the third quarter of 2009, the board of directors resolved, that the non-employee directors of the board received an annual stipend of C$12,000, paid in quarterly installments. Furthermore an attendance fee of CDN$1,000 was paid per board meeting. The chairmen of the board committees are entitled to receive an additional CDN$500 and the members of the committees received an additional CDN$250 for attending the committee meetings. Since November 2008, non-employee directors were entitled to a cash compensation fee of CDN$500 per board meeting attendance and CDN$100 per board meeting attendance by conference call. The cash amounts represent the equivalent U.S. Dollar value measured at the appropriate year end exchange rate used in the financial statements or the actual U.S. Dollar amounts paid at the time of payment.

(3) Represents 75,000 options to purchase common stock granted on August 10, 2010. The options vest over two years.

Directors and Officers Liability Insurance

During 2010, we carried directors and officers liability insurance at an approximate annual cost of $30,000. At the renewal in November of 2010 the premium increased to approximately $39,000 for an insured amount is $2 Million.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis appearing in this document with management and based upon this review and discussion recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement for filing with the SEC.

Respectively submitted,

Ian Troup (Chair)

J. Bernard Boudreau

Members of the Compensation Committee

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Review, Approval or Ratification of Transactions with Related Persons

Although IntelGenx has not adopted formal procedures for the review, approval or ratification of transactions with related persons, we adhere to a general policy that such transactions should only be entered into if they are on terms that, on the whole, are no more favorable, or no less favorable, than those available from unaffiliated third parties and their approval is in accordance with applicable law. Such transactions require the approval of our board of directors. The term related party transaction refers to transactions required to be disclosed in our filings with the SEC pursuant to Item 404 of Regulation S-K.

Transactions With Related Persons

During the year ended December 31, 2010, approximately $13,000 was paid under an equipment lease for the year ended 2010 to Ingrid Zerbe, our corporate secretary and director of finance and administration. When the lease expired on August 31, 2010, we purchased the laboratory equipment for approximately $19,000.

Family Relationships

Horst Zerbe and Ingrid Zerbe are husband and wife.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information concerning the beneficial ownership of our shares of common stock by our directors and executive officers, and by each beneficial owner of five percent (5%) or more of our outstanding common stock. Based on information available to us, all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them, unless otherwise indicated. Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. In computing the number of shares beneficially owned by a person or a group and the percentage ownership of that person or group, shares of our common stock subject to options or warrants currently exercisable or exercisable within 60 days after the date of this prospectus are deemed outstanding, but are not deemed outstanding for the purpose of computing the percentage of ownership of any other person. Applicable percentage ownership is based upon 39,808,896 shares of common stock outstanding as of March 15, 2011. Unless otherwise indicated, the address of each of the named persons is care of IntelGenx Technologies Corp., 6425 Abrams, Ville St-Laurent, Quebec, H4S 1X9.

Name and Address Of Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Horst G. Zerbe[1]	4,953,393.5 (1)	12.4%
Ingrid Zerbe[2]	5,956,356.5 (2)	14.9%
Bernard J. Boudreau (3)	158,088 (3)	*
Ian Troup[4]	100,000 (4)	*
Paul A. Simmons[5]	118,750 (5)	*
Bernd J. Melchers[6]	100,000 (6)	*
John Marinucci[7]	18,750 (7)	*
All directors and officers as a group (7 persons)	11,405,338	28.0%
BluMont Capital Corporation[8]	5,049,300 (8)	12.6%

* Less than 1%.

(1) In connection with the acquisition of IntelGenx in 2006, Horst Zerbe became our President, Chief Executive Officer and Director and acquired 4,709,643.5 exchangeable shares of our Canadian holding corporation

6544631Canada Inc., a Canadian special purpose corporation which wholly owns IntelGenx Corp. (the Exchangeable Shares). The 4,709,643.5 Exchangeable Shares are exchangeable, on a one for one basis, into shares of common stock of IntelGenx Technologies Corp. at Horst Zerbe's discretion. Prior to exchanging the Exchangeable Shares for shares of common stock, Horst Zerbe has the right to vote 4,709,643.5 shares of common stock which are currently held in trust on behalf of Horst Zerbe. The 4,709,643.5 shares of common stock have not been registered for resale at this time. In addition to the Exchangeable Shares, Horst Zerbe's beneficial ownership includes 225,000 shares of common stock underlying options granted November 9, 2006, which are currently exercisable. The options have an exercise price of $0.41. He also received 25,000 options to purchase common stock at an exercise price of $0.61, granted November 24, 2009. The options vest over two years, 25% every six months, 18,750 of which are exercisable within 60 days of this filing. Horst Zerbe and Ingrid Zerbe are husband and wife.

(2) In connection with the acquisition of IntelGenx in 2006, Ingrid Zerbe became our Corporate Secretary and our Director of Finance and Administration and acquired 4,709,643.5 Exchangeable Shares. In June of 2009 Ingrid Zerbe acquired 1,021,713 Exchangeable Shares from Joel Cohen in a private transaction. The 5,731,356.5 Exchangeable Shares are exchangeable, on a one for one basis, into shares of common stock of IntelGenx Technologies Corp. at Ingrid Zerbe s discretion. Prior to exchanging the Exchangeable Shares, Ingrid Zerbe has the right to vote 5,731,356.5 shares of common stock which are currently held in trust on behalf of Ingrid Zerbe. The 5,731,356.5 shares of common stock have not been registered for resale at this time. In addition to the Exchangeable Shares, Ingrid Zerbe's beneficial ownership includes 225,000 shares of common stock underlying options granted November 9, 2006, which are currently exercisable. The options have an exercise price of $0.41. Horst Zerbe and Ingrid Zerbe are husband and wife.

(3) Mr. Boudreau's beneficial ownership consists of 75,000 exercisable options to purchase common stock at an exercise price of $0.70 (adjusted from $0.41 in May 2008), granted in October 2006, 32,500 exercisable options to purchase common stock at an exercise price of $1.15, granted on August 9, 2007 and 25,588 options to purchase common stock at an exercise price of $0.85. On August 19, 2008 Mr. Boudreau exercised 35,000 options at an exercise price of $0.70 in exchange for the same number of shares of common stock. On November 24, 2009, 25,000 exercisable options to purchase common shares at an exercise price of $0.61 were granted to Mr. Boudreau.

(4) Mr. Troup s beneficial ownership consists of 75,000 exercisable options to purchase common stock at an exercise price of $0.85, granted in September of 2008. On November 24, 2009, 25,000 exercisable options to purchase common shares at an exercise price of $0.61 were granted to Mr. Troup.

(5) Mr. Simmons beneficial ownership consists of 100,000 options to purchase common stock at an exercise price of $0.85, granted in September of 2008. The Options vest over two years, 25% every six months, all of which are exercisable within 60 days of this filing. He also received 25,000 options to purchase common stock at an exercise price of $0.61, granted November 24, 2009. The options vest over two years, 25% every six months, 18,750 of which are exercisable within 60 days of this filing.

(6) Mr. Melcher's beneficial ownership consists of 25,000 exercisable options to purchase common stock at an exercise price of $0.61, granted in November of 2009 and 75,000 options to purchase common stock at an exercise price of $0.45 granted in May of 2010.

(7) Mr. Marinucci s beneficial ownership consists of 75,000 exercisable options to purchase common stock at an exercise price of $0.37, granted in August of 2010. The options vest over two years, 25% every six months, 18,750 of which are exercisable within 60 days of this filing.

(8) Information regarding BluMont Capital Corporation is based solely upon a Schedule 13G filed by BluMont Capital with the Securities and Exchange Commission on March 21, 2011. Schedule 13G provides that BluMont Capital has sole voting and dispositive power with respect to 4,824,300 shares of the Company s common stock and additional 225,000 Share purchase warrants to acquire 225,000 common shares at an exercise price of $0.50 per share. The address for BluMont Capital Corporation, 70 University Avenue, Suite 1200, Toronto, ON M5J 2M4, Canada.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee reviewed and discussed the information contained in the 2010 first, second, third and fourth quarter earnings announcements with management of the Company and independent registered public accounting firm prior to public release. They also reviewed and discussed the information contained in the 2010 first, second and third quarters Forms 10-Q and full year Form 10-K with management of the Company and independent registered public accounting firm prior to filing with the Securities and Exchange Commission. In addition, the Audit Committee met regularly with management, and independent registered public accounting firm on various financial and operational matters, including to review plans and scope of audits and audit reports and to discuss necessary action.

In connection with the Company s fiscal 2010 consolidated financial statements, the Audit Committee has:

- reviewed and discussed with management the Company s audited consolidated financial statements as of and for fiscal year 2010;
- discussed with the Company s independent auditors the matters required to be discussed by Statement on Auditing Standards No. 114, *The Auditor s Communication with those Charged with Governance,* and SEC rule 2-07; and
- received and reviewed the written disclosures and the letter from the Company s independent accountants required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), as adopted by the Public Company Accounting Oversight Board in Rule 3600T, and has discussed with the independent accountant its independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board, and the Board approved, that the audited consolidated financial statements referred to above be included in the Company s Annual Report on Form 10-K for fiscal year 2010.

Respectfully submitted,

J. Bernard Boudreau (Chair)
Bernd J. Melchers
Ian Troup

Members of the Audit Committee

PROPOSAL 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

General

The Audit Committee of the Board of Directors has engaged RSM Richter Chamberland, LLP to serve as the Company s independent registered public accountants for the fiscal year ending December 31, 2011. RSM Richter Chamberland, LLP was engaged as the Company's independent auditors on June 15, 2006, following the acquisition of our IntelGenx Corp. subsidiary. RSM Richter Chamberland, LLP audited the Company s financial statements for the fiscal years ending December 31, 2006, 2007, 2008, 2009 and 2010.

Audit Fees

The following table sets forth, for each of the years indicated, the fees billed by our independent public accountants, RSM Richter Chamberland, LLP, for the fiscal years ended December 31, 2009 and 2010, and includes fees billed to our Canadian subsidiary for the audit since inception in 2003 to the year ended December 31, 2006, as well as fees for all necessary financial reviews in connection with our regulatory filings and the IntelGenx acquisition.

Audit and Non-Audit Fees

	2010	2009
Audit Fees (1)	$ 75,300	$ 68,749
Audit-Related Fees (2)		
Tax Fees (3)	$ 9,060	$ 7,755
All Other Fees	$ 4,350	
Total	$ 88,.710	$ 76,504

(1) Audit fees are fees for services provided in connection with the audits of the Company's annual financial statements and quarterly reviews of interim quarterly financial statements, as well as audit provided in connection with other statutory and regulatory filings.

(2) Audit-related fees are aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and are not otherwise reported as Audit fees.

(3) Tax fees are aggregate fees billed for professional services rendered for tax compliance, tax advice, and tax planning.

Historically, no stockholders have attended our annual meeting. As a result, we have not incurred the cost of having our auditors present at the annual meeting. However, our auditors will be available telephonically at the time of the annual meeting to respond to appropriate questions. If our auditors indicated a desire to make a statement at our

annual meeting, they would be permitted to do so.

Shareholder Vote Required

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THIS PROPOSAL 2 TO RATIFY THE APPOINTMENT OF RSM RICHTER CHAMBERLAND LLP.

GENERAL AND OTHER MATTERS

Management knows of no matters other than the matters described above that will be presented to the Meeting. However, if any other matters properly come before the Meeting, or any of its postponements or adjournments, the person or persons voting the proxies will vote them in accordance with his or their best judgment on such matters.

SOLICITATION OF PROXIES

The Company is making the solicitation of proxies and will bear the costs associated therewith. Solicitations will be made by mail or electronically.

SHAREHOLDER PROPOSALS

The Board of Directors intends to hold the next annual meeting of Shareholders of the Company in May of 2012. Any proposal by a Shareholder intended to be presented at the Company's next annual meeting of Shareholders must be received at the offices of the Company no later than December 7, 2011, a reasonable amount of time prior to the date on which the information or proxy statement for that meeting are mailed or sent electronically to shareholders in order to be included in the Company's information or proxy statement relating to that meeting.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information included in this Proxy Statement may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the **Exchange Act**). This information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from our future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words may, will, should, expect, anticipate, estimate, believe, intend o negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Our actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. We undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

WHILE YOU HAVE THE MATTER IN MIND, PLEASE VOTE BY INTERNET OR COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY CARD.

BY ORDER OF THE BOARD OF DIRECTORS,

Horst G. Zerbe, Chairman, President and Chief Executive Officer