

CAMBREX CORP  
Form DEF 14A  
March 12, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant    Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement  
Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material Pursuant to §240.14a-2  
Cambrex Corporation

(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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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

Edgar Filing: CAMBREX CORP - Form DEF 14A

(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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary proxy materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

CAMBREX CORPORATION

March 12, 2019

Dear Stockholder,

You are cordially invited to attend the Annual Meeting of Stockholders of Cambrex Corporation (the “Company” or “Cambrex”). This year’s meeting will be held on April 24, 2019, at 1:00 P.M. at the Metropolitan Center, One Meadowlands Plaza, East Rutherford, New Jersey 07073.

At this year’s meeting, you will be asked (1) to elect the eight director nominees named in the accompanying proxy statement; (2) to hold an advisory, non-binding vote on the compensation of named executive officers as disclosed in the accompanying proxy statement; (3) to ratify the selection of BDO USA, LLP as the Company’s independent registered public accountants for the fiscal year ending December 31, 2019; and (4) to transact such other business as may properly come before the meeting or any adjournment thereof.

Your vote is important. We invite you to attend the meeting in person. If attending the meeting is not feasible, we encourage you to read the proxy statement and vote your shares as early as possible. To ensure your shares will be represented, we encourage you to vote your shares via the Internet or by telephone, as instructed on the Notice of Internet Availability of Proxy Materials. If you requested a copy of the proxy card by mail, you may submit your vote by completing, signing, dating and returning the proxy card by mail. If you attend the meeting, you may continue to have your shares voted as instructed in the proxy, or you may withdraw your proxy at the meeting and vote your shares in person. Your Board of Directors and management look forward to greeting personally those stockholders who are able to attend.

Sincerely,

Samantha Hanley

Corporate Secretary

CAMBREX CORPORATION

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD APRIL 24, 2019

NOTICE IS HEREBY GIVEN that the 2019 Annual Meeting of Stockholders (the “Annual Meeting”) of Cambrex Corporation (the “Company” or “Cambrex”) will be held at the Metropolitan Center, One Meadowlands Plaza, East Rutherford, New Jersey 07073 on April 24, 2019, at 1:00 P.M. for the following purposes:

1. To elect the eight (8) director nominees named in the accompanying proxy statement to hold office until the 2020 Annual Meeting of Stockholders and until their successors shall be elected and qualified;
2. To hold an advisory, non-binding vote on the compensation of named executive officers as disclosed in the accompanying proxy statement;
3. To consider and act upon the ratification of the appointment of BDO as the Company’s independent registered public accountants for the fiscal year ending December 31, 2019; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Only stockholders of record at the close of business on March 1, 2019, will be entitled to vote at the Annual Meeting. The list of such stockholders will be available for inspection by stockholders during the ten days prior to the meeting in accordance with Section 219 of the Delaware General Corporation Law at One Meadowlands Plaza, East Rutherford, New Jersey 07073 and will also be available at the Annual Meeting. Stockholders may make arrangements for such inspection by contacting Samantha Hanley, Vice President, General Counsel and Corporate Secretary, Cambrex Corporation, One Meadowlands Plaza, East Rutherford, New Jersey 07073.

By order of the Board of Directors,

Samantha Hanley

Corporate Secretary

March 12, 2019

THE VOTE OF EACH STOCKHOLDER IS IMPORTANT.



TABLE OF CONTENTS

	Page
<u>PROXY SOLICITATION</u>	1
<u>VOTING OF PROXY AND REVOCABILITY</u>	1
<u>RECORD DATE, QUORUM AND VOTING RIGHTS</u>	2
<u>PRINCIPAL STOCKHOLDERS</u>	3
<u>COMMON STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS</u>	3
<u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u>	5
<u>CORPORATE GOVERNANCE</u>	9
<u>REGULATORY AFFAIRS COMMITTEE</u>	10
<u>GOVERNANCE COMMITTEE</u>	11
<u>AUDIT COMMITTEE</u>	13
<u>COMPENSATION COMMITTEE</u>	14
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	15
<u>COMPENSATION OF EXECUTIVE OFFICERS</u>	23
<u>PROPOSAL NO. 2 ADVISORY NON-BINDING VOTE ON THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS</u>	35
<u>PROPOSAL NO. 3 RATIFICATION OF APPOINTMENT OF AUDITORS</u>	36
<u>PRINCIPAL ACCOUNTING FIRM FEES</u>	36
<u>AUDIT FEES</u>	36
<u>AUDIT-RELATED FEES</u>	36
<u>STOCKHOLDER PROPOSALS FOR 2020</u>	37
<u>MULTIPLE STOCKHOLDERS WITH THE SAME ADDRESS</u>	37

---

CAMBREX CORPORATION

2019 ANNUAL MEETING OF

STOCKHOLDERS

PROXY STATEMENT

PROXY SOLICITATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Cambrex Corporation (the "Company" or "Cambrex") for use at the 2019 Annual Meeting of Stockholders to be held on April 24, 2019 (the "Annual Meeting"), and at any adjournment of the Annual Meeting. The address of the Company's principal executive office is One Meadowlands Plaza, East Rutherford, New Jersey 07073. This Proxy Statement and the form of proxy are being made available via the Internet, and upon request will be mailed to our stockholders, on or about March 12, 2019.

The costs of soliciting proxies will be borne by the Company. Brokerage houses, banks, custodians, nominees and fiduciaries are being requested to forward the proxy materials to beneficial owners, and their reasonable expenses relating thereto will be reimbursed by the Company. Solicitation will be made by mail and also may be made personally, by telephone or electronic mail by the Company's officers, directors and employees without special compensation for such activities.

INTERNET AVAILABILITY OF PROXY MATERIALS

We are furnishing proxy materials to our shareholders via the Internet by mailing a Notice of Internet Availability of Proxy Materials, instead of mailing or e-mailing copies of those materials. The Notice of Internet Availability of Proxy Materials directs shareholders to a website where they can access our proxy materials, including this Proxy Statement and our annual report, and view instructions on how to vote via the Internet, mobile device, or by telephone. If you received a Notice of Internet Availability of Proxy Materials and would prefer to receive a paper copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials. If you have previously elected to receive our proxy materials via e-mail, you will continue to receive access to those materials electronically unless you elect otherwise.

VOTING OF PROXY AND REVOCABILITY

Stockholder of Record. If your shares are registered directly in your name with the Company's transfer agent, you are considered the stockholder of record with respect to those shares, and the Notice of Internet Availability of Proxy Materials were sent directly to you by the Company.

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a brokerage firm, bank, broker dealer, or other similar organization, then you are the beneficial owner of shares held in "street name," and the Notice of Internet Availability of Proxy Materials was forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to instruct that organization on how to vote the shares held in your account and you are also invited to attend the Annual Meeting. To attend the Annual Meeting, you must present a brokerage statement showing proof of your ownership of the Company's common stock as of the record date.

Voting. There are four ways to vote:

**In Person.** You may vote in person at the Annual Meeting. If you are a beneficial owner of shares held in street name and wish to vote in person, you must obtain a legal proxy from your nominee. A legal proxy is a written document that authorizes you to vote your shares held in street name at the Annual Meeting. Please contact the organization that holds your shares for instructions regarding obtaining a legal proxy. You must bring a copy of the legal proxy to the Annual Meeting.

**Online.** You may vote by proxy by visiting [proxyvote.com](http://proxyvote.com) and entering the control number found in your Notice of Internet Availability. The availability of online voting may depend on the voting procedures of the organization that holds your shares.



**Phone.** If you request printed copies of the proxy materials by mail, you will receive a proxy card or voting instruction form and you may vote by proxy by calling the toll free number found on the card or form. The availability of phone voting may depend on the voting procedures of the organization that holds your shares.

**Mail.** If you request printed copies of the proxy materials by mail, you will receive a proxy card or voting instruction form and you may vote by proxy by filling out the card or form and returning it in the envelope provided.

**Changing Your Vote.** You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting by (a) attending the Annual Meeting and voting in person, (b) using the online voting method described above, in which case only your latest internet proxy submitted prior to the Annual Meeting will be counted, (c) using the phone voting method described above, in which case only your latest telephone proxy submitted prior to the Annual Meeting will be counted, or (d) signing and returning a new proxy card or voting instruction form dated as of a later date, in which case only your latest proxy card or voting instruction form received prior to the Annual Meeting will be counted.

**Uninstructed Shares.** If you are a shareholder of record and you (a) indicate when voting online or by phone that you wish to vote as recommended by the Board or (b) sign and return a proxy card without giving specific voting instructions, then the persons named as proxy holders, Steven M. Klosk, Gregory P. Sargen and Samantha M. Hanley, will vote your shares in the manner recommended by the Board on all matters presented in this Proxy Statement and as they may determine in their best judgment with respect to any other matters properly presented for a vote at the Annual Meeting. If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, then the organization that holds your shares may generally vote your shares in their discretion on "routine" matters, but cannot vote on "non-routine" matters.

**Routine and Non-Routine Matters.** If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non routine matter, that organization may inform the inspector of election that it does not have the authority to vote on the matter with respect to your shares, which is generally referred to as a "broker non vote." At this Annual Meeting, only the ratification of the appointment of BDO as the Company's independent registered public accountants for the fiscal year ending December 31, 2019, is a matter considered routine, which means that a broker or other nominee may generally vote on that matter and no broker non votes are expected to exist in connection with that routine matter. The proposals regarding the election of directors and the advisory, non-binding vote on the compensation of named executive officers are non-routine matters, which means that a broker or other nominee cannot vote without your instructions, and therefore there may be broker non votes on such proposals.

The Board knows of no matters to be presented at the Annual Meeting other than those set forth in the foregoing Notice of Annual Meeting.

## RECORD DATE, QUORUM AND VOTING RIGHTS

The Company has only one class of voting securities, which is common stock, par value \$0.10 per share ("Common Stock"). Only holders of Common Stock of the Company of record at the close of business on March 1, 2019, will be entitled to vote at the Annual Meeting. On such record date there were outstanding and entitled to vote 33,654,765 shares of Common Stock and each such share is entitled to one vote.

The holders of a majority of the shares of Common Stock entitled to vote at the Annual Meeting, present in person or by proxy, shall constitute a quorum. Broker non votes and abstentions are counted for purposes of determining whether a quorum is present.

Please see each proposal for a detailed description of the votes required as well as the treatment of abstentions and broker non votes, as applicable.



## PRINCIPAL STOCKHOLDERS

The following sets forth information with respect to the only persons of which the Company is aware as of March 1, 2019, who may be deemed to beneficially own more than 5% of the outstanding shares of Common Stock:

Name and Address	Number of Shares	
	Beneficially Owned	Percent of Class <sup>(1)</sup>
William Blair Investment Management, LLC		(2)
150 North Riverside Plaza, Chicago, IL 60606 The Vanguard Group	2,588,798	7.69 %
		(3)
100 Vanguard Blvd., Malvern, PA 19355 BlackRock, Inc.	3,399,704	10.10 %
		(4)
55 East 52nd Street, New York, NY 10055	4,885,273	14.52 %

<sup>(1)</sup>For the purpose of this table, the percent of issued and outstanding shares of the Company's Common Stock held by each beneficial owner has been calculated on the basis of 33,654,765 shares of Common Stock issued and outstanding on March 1, 2019.

<sup>(2)</sup>Based on information as of December 31, 2018, obtained from an amended Schedule 13G filed with the SEC on February 13, 2019, by William Blair Investment Management, LLC ("William Blair"). William Blair reported sole voting power with respect to 2,329,790 shares and sole dispositive power with respect to 2,588,798 shares. The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in William Blair's amended Schedule 13G.

<sup>(3)</sup>Based on information as of December 31, 2018, obtained from an amended Schedule 13G filed with the SEC on January 10, 2019, by The Vanguard Group ("Vanguard"). Vanguard reported sole voting power with respect to 48,197 shares, shared voting power with respect to 4,624 shares, sole dispositive power with respect to 3,349,859 shares, and shared dispositive power with respect to 49,845 shares. The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Vanguard's amended Schedule 13G.

<sup>(4)</sup>Based on information as of December 31, 2018, obtained from an amended Schedule 13G filed with the SEC on January 24, 2019, by BlackRock, Inc. ("BlackRock"). BlackRock reported sole voting power with respect to 4,804,687 shares and sole dispositive power with respect to 4,885,273 shares. The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in BlackRock's amended Schedule 13G.

## COMMON STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS

The following table gives information concerning the beneficial ownership of the Company's Common Stock as of February 5, 2019, by (i) each director of the Company or nominee for director, (ii) each of the "Named Executive Officers" set forth in the Summary Compensation Table (below) and (iii) all directors and executive officers of the Company as a group.

Edgar Filing: CAMBREX CORP - Form DEF 14A

	Shares Beneficially	Percent of
Beneficial Owners	Owned <sup>(1)</sup>	Class <sup>(2)</sup>
Gregory B. Brown	4,002	(3) *
Shawn Cavanagh	52,658	(4) *
Claes Glassell	9,084	(5) *
Louis J. Grabowsky	10,195	(6) *
Bernhard Hampl	6,717	(7) *
Samantha Hanley	23,750	(8) *
Kathryn R. Harrigan	77,850	(9) *
Ilan Kaufthal	56,571	(10) *
Steven M. Klosk	155,328	(11) *
Gregory P. Sargen	48,750	(12) *
Shlomo Yanai	30,783	(13) *
Tom Vadaketh	0	(14) —
All Directors and Executive Officers as a Group		(15)
(11 Persons)	475,688	1.41 %

3

\*Beneficial ownership is less than 1% of the Common Stock outstanding.

- (1) Beneficial ownership is determined in accordance with SEC rules. In general, under these rules a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares voting power or investment power with respect to such security. A person is also deemed a beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days. Except as otherwise noted, reported share ownership is as of February 5, 2019. Unless otherwise stated, each person has sole voting and investment power with respect to the shares of Common Stock he or she beneficially owns.
- (2) For the purpose of this table, the percent of issued and outstanding shares of the Company's Common Stock held by each beneficial owner has been calculated on the basis of (i) 33,654,765 shares of Common Stock issued and outstanding on March 1, 2019, and (ii) all shares of Common Stock underlying equity awards that are held by such beneficial owner and are exercisable within 60 days of February 5, 2019.
- (3) The number of shares reported includes 2,340 shares issuable upon exercise of options granted under the Company's 2012 Equity Incentive Plan for Non-Employee Directors.
- (4) The number of shares reported includes 35,000 shares issuable upon exercise of options granted under the Company's stock option plans.
- (5) The number of shares reported includes 5,170 shares issuable upon exercise of options granted under the Company's 2012 Equity Incentive Plan for Non-Employee Directors.
- (6) The number of shares reported includes 5,353 shares issuable upon exercise of options granted under the Company's 2012 Equity Incentive Plan for Non-Employee Directors.
- (7) The number of shares reported includes 3,873 shares issuable upon exercise of options granted under the Company's 2012 Equity Incentive Plan for Non-Employee Directors.
- (8) The number of shares reported includes 23,750 shares issuable upon exercise of options granted under the Company's stock option plans.
- (9) The number of shares reported includes 17,544 shares issuable upon exercise of options granted under the Company's 2012 Equity Incentive Plan for Non-Employee Directors.
- (10) The number of shares reported includes 18,053 shares issuable upon exercise of options granted under the Company's 2012 Equity Incentive Plan for Non-Employee Directors.
- (11) The number of shares reported includes 72,000 shares issuable upon exercise of options granted under the Company's stock option plans.
- (12) The number of shares reported includes 28,750 shares issuable upon exercise of options granted under the Company's stock option plans.
- (13) The number of shares reported includes 17,544 shares issuable upon exercise of options granted under the Company's 2012 Equity Incentive Plan for Non-Employee Directors.
- (14) Tom Vadaketh resigned effective September 4, 2018, and does not own any shares of the Company's Common Stock.
- (15) The number of shares reported includes 229,377 shares issuable upon exercise of options granted under the Company's stock options plans.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Board currently consists of eight members. At this Annual Meeting, eight directors will be nominated for election to hold office until the 2020 Annual Meeting and until their successors shall be elected and qualified or until the director's earlier death, resignation or removal.

Each of the nominees listed below is currently serving as a director of the Company and has consented to serve as a director for an additional term if elected. The Company knows of no reason why any of the nominees named herein would be unable to serve for the terms indicated. In the event, however, that any such nominee should, prior to the election, become unable to serve as a director, unless the Board decides to decrease the size of the Board, the proxy will be voted for such substitute nominee as the Board shall propose.

To be elected, each nominee for director requires a majority of the votes cast at the Annual Meeting unless the election is contested, in which case directors are elected by a plurality vote. For purposes of electing directors, a "majority of the votes cast" means that the number of votes cast "for" a nominee exceeds the number of votes cast "against" that nominee. The Governance Committee has established procedures under which any current director who is not elected (because the number of votes cast against such director's candidacy exceeds the number of votes cast in favor of that candidacy) shall offer to tender his or her resignation to the Board. In such case, the Governance Committee will make a recommendation to the Board on whether to accept or reject the offer to resign, or whether other action should be taken. The Board will act on the Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results.

An uncontested election of directors is not considered a "routine" item under the NYSE rules. As a result, brokers holding shares beneficially owned by their clients will not have the ability to cast votes with respect to the election of directors unless they have received instructions from the beneficial owner of the shares. It is therefore important that you provide instructions to your broker if your shares are held by a broker so that your vote with respect to the election of directors is counted. Abstentions and broker non-votes will not be counted in connection with the election of directors.

The Board recommends a vote FOR the election of the eight (8) nominees named below.

Nominees for Election to Serve as Directors Serving

until the 2020 Annual Meeting

The Company's Corporate Governance Guidelines establish criteria for membership on the Board. Under these criteria, the Governance Committee seeks to identify a diverse group of candidates for the Board. These candidates should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the stockholders. In 2019, the Governance Committee adopted a formal policy regarding diversity in evaluating candidates, which has been incorporated into the Corporate Governance Guidelines, and states that in selecting directors, the Board should seek to achieve a mix of Board members that enhances the diversity of experience, professions, skills, geographic representations and backgrounds, including with respect to age, gender, international background, race, ethnicity, and specialized experiences. The skills and backgrounds of the nominees should include, among other things, experience in making decisions, a track record of competent judgment, the ability to function rationally and objectively, and experience in different businesses and professions. The Governance Committee does not assign specific weight to particular criteria and not all criteria apply to every candidate. The Board believes that as a group the Board consists of a sufficiently diverse group in terms of experience, professions,

skills, geographic representations and backgrounds, including with respect to age, gender, international background, race, ethnicity, and specialized experiences to allow the Board to fulfill its responsibilities to the stockholders and the Company.

The following sets forth, with respect to the eight (8) persons who have been nominated by the Board for election at this Annual Meeting, certain information concerning their positions with the Company and principal outside occupations and other directorships held. Except as otherwise disclosed herein, none of the corporations or organizations listed below is a parent, subsidiary or other affiliate of the Company. Based on the experiences, attributes and skills of each of the Board's nominees set forth below, which exemplify the characteristics described above, the Board has concluded that each nominee possesses the appropriate qualifications to serve as a director of the Company.

Gregory B. Brown, M.D. (age 65). Director since 2017. Member of the Audit and Regulatory Affairs Committees. In 2007, Dr. Brown co-founded HealthCare Royalty Partners (“HCR Partners”), a healthcare-focused private asset management firm investing in biopharmaceutical and medical products. He has been the Vice Chairman of HCR Partners and Chairman of the Senior Advisor Board at HCR Partners since 2016, and has been involved in more than \$1 billion of royalty financings. Dr. Brown was educated as a transplantation immunologist and trained as a thoracic and vascular surgeon. He practiced thoracic and vascular surgery in a community setting where he also founded and led an HMO.

Dr. Brown currently serves as Chairman of the board of directors of Caladrius Biosciences, Inc. (Nasdaq: CLBS), a clinical stage company focusing on cell therapy products in development based on multiple technology platforms and targeting autoimmune and select cardiology indications. He is also a member of the board of directors and audit committee of Faron Pharmaceuticals, Oy (AIM: FARN), as well as a member of the board of directors, audit, governance and product selection committees of Aquestive Therapeutics, Inc. (Nasdaq: AQST), a specialty pharmaceutical company leveraging its proprietary PharmFilm technology to deliver drugs. Dr. Brown holds a B.A. from Yale, an M.D. from SUNY Upstate Medical Center and an M.B.A. from Harvard Business School. Dr. Brown’s unique expertise in the scientific, technical, clinical and medical evaluation of products as well as his perspective on the industry as a practicing surgeon make him uniquely qualified to serve on our Board.

Claes Glassell (age 67). Director since 2016. Member of the Compensation and Regulatory Affairs Committees. Mr. Glassell serves as Non-Executive Chairman of the board of directors of LSNE Contract Manufacturing, a position he has held since May 2017. He was previously the Chief Executive Officer of CMC Biologics, a contract manufacturing organization focused on biologic pharmaceuticals from 2011 through 2015. From 2004 through 2011, Mr. Glassell was the Chief Executive Officer of Cerus Corp., a publicly held medical device company. Before joining Cerus Corp., Mr. Glassell spent over eight years at Cambrex Corporation as President and Chief Operating Officer. From 1989 through 1994, Mr. Glassell was the President and Chief Executive Officer of Nobel Chemicals and a Senior Vice President of Nobel Industries.

Mr. Glassell has more than 25 years of industry experience, with primary focuses on production of biologic and chemical active pharmaceutical ingredients, cell therapy services, preclinical and clinical development of cancer immunotherapy and commercial medical devices, and consumer goods, giving Mr. Glassell special insight into the day-to-day operations and strategic development of life sciences companies. He has served on several life science company boards, including Vitrolife AB, Cellartis AB, Nobel Chemicals, Berol Nobel, Cerus, CMC Biologics, Swedish American Chamber of Commerce, and the Swedish Chemical Industry Association. This unique combination of extensive operating and board experience, including his long service as a senior executive of our company, makes Mr. Glassell exceptionally qualified to be a member of our Board.

Louis J. Grabowsky (age 67). Director since 2015. Chairperson of the Audit Committee and member of the Governance Committee. Mr. Grabowsky is a co-founder and principal of Juniper Capital Management, a financial sponsor that provides capital to high-growth potential but under-resourced entrepreneurial companies based in the United States. Before founding Juniper Capital Management in October of 2014, Mr. Grabowsky was a partner with Grant Thornton LLP, an accounting firm, where he served as the Chief Operating Officer from 2009 to 2013. Prior to Grant Thornton, Mr. Grabowsky served for a total of 27 years in various positions with Arthur Andersen LLP, including 17 years as a partner. Mr. Grabowsky is currently a member of the board of directors of Griffon Corporation (NYSE: GFF), Riveron Consulting, and several academic, civic and charitable organizations. Mr. Grabowsky also served as a Director of ClubCorp Holdings (NYSE: MYCC), from mid-2015 until its merger with Constella in 2017, and was a member of the audit and nominating & governance committees.



Mr. Grabowsky brings extensive financial expertise and wide-ranging business competencies to the Board. His experience overseeing risk assessment, accounting and financial reporting for public and other life sciences companies globally provides valuable experience as the Chairperson of the Audit Committee.

6

---

Bernhard Hampl, Ph.D. (age 69). Director since 2016. Member of the Audit and Regulatory Affairs Committees. Dr. Hampl is the President of BKH Pharma Services, a pharmaceutical consultancy firm, a position he has held since 2009. From 1996 to 2005, Dr. Hampl was the President and Chief Executive Officer of Eon Labs, Inc., a company specializing in the development, manufacturing and marketing of generic pharmaceuticals. Dr. Hampl currently serves as Co-Chairman of the board of directors of Softbox Systems LTD, a UK based company specializing in cold chain shipping. He is also a member of the board of directors of SiO2 Medical, as well as a member of the scientific advisory board of Formycon AG, a biotech company in Munich, Germany, and the Great Point Partners' CEO Advisory Board, an investment firm in Greenwich, CT. Dr. Hampl is also an independent consultant and advisor to Advent International, a global private equity firm. Dr. Hampl attended the School of Pharmacy of the Ludwig Maximilian University of Munich, Germany, and is a registered pharmacist who holds a PhD in Pharmaceutical Chemistry from the same university.

Dr. Hampl brings to the Board over twenty years of experience as an executive in the pharmaceutical industry. His extensive experience in senior management positions and advisory roles, as well as his demonstrated business judgment make Dr. Hampl a valuable member of the Board.

Kathryn Rudie Harrigan, Ph.D. (age 67). Director since 1994. Chairperson of the Regulatory Affairs Committee and member of the Audit Committee. In 1993, Dr. Harrigan became the first Henry R. Kravis Professor of Business Leadership at Columbia University Business School. Dr. Harrigan was previously Professor, Management Division of the Columbia University Business School and Academic Director of the Jerome A. Chazen Institute for International Business and Academic Director of the Strategy Research Center, all at Columbia University. Dr. Harrigan is a founding member of the Strategic Management Society. She has taught in several executive development programs for Columbia Business School, Management Centre Europe (London and Brussels), Frost & Sullivan (London and Frankfurt), and Business Week Executive Programs (Amsterdam and several U.S. cities). She has taught in the Executive MBA Programs of Seoul National University, Ben-Gurion University, St. Gallen University (Switzerland), and University of Cagliari. In 1989, Dr. Harrigan was elected a Fellow of the Academy of Management and has served on its Board of Governors as well as the Advisory Board of Ronin Development Corporation. She has written for and has served on the Board of Editors of various journals including the Strategic Management Journal, Academy of Management Review (Consulting Editor), Academy of Management Journal, Columbia Journal of World Business, Academy of Management Executive, Journal of Business Strategy, and Journal of Engineering and Technology Management.

Dr. Harrigan's significant academic experiences include educating graduate level students in international and domestic business at top tier business schools and teaching executive development programs in several U.S. cities and around the world. The depth and breadth of Dr. Harrigan's exposure to complex business issues worldwide makes her a skilled advisor to the Board.

Ilan Kaufthal (age 71). Director since formation of the Company in 1983. Chairperson of the Compensation Committee and member of the Governance Committee. Mr. Kaufthal has been the Chairman of East Wind Advisors, a broker dealer, since 2010. Mr. Kaufthal currently serves as the Non-Executive Chairman of the board of directors of Tronox, Inc. (NYSE: TROX), a producer of titanium dioxide pigment based in Stamford, CT. He also serves on the boards of directors of Edmunds.com, POOF-Slinky, Inc., and Macsteel Holdings. He was Vice Chairman of Investment Banking at Bear, Stearns & Co. Inc. from May 2000 until June 2008. Prior to joining Bear, Stearns & Co. Inc., Mr. Kaufthal was with Schroder & Co. Incorporated as Vice Chairman and head of mergers and acquisitions for thirteen years. Prior thereto, he was with NL Industries, Inc., a firm in the chemicals and petroleum services businesses, as its Senior Vice President and Chief Financial Officer.

Mr. Kaufthal's extensive background in the investment banking community coupled with his business acumen makes him an invaluable advisor to the Board, particularly in the context of merger and acquisition activities.

Steven M. Klosk (age 62). Director since 2008. Mr. Klosk has served as President and Chief Executive Officer of Cambrex and a member of the Board since 2008. Having joined the Company in 1992, Mr. Klosk held positions of increasing responsibility, including Executive Vice President, Administration, through 2005, when he assumed direct responsibility for the leadership of the Biopharmaceutical Business Unit as Chief Operating Officer. In August 2006, Mr. Klosk assumed the responsibility of the Pharma business as Executive Vice President and Chief Operating Officer – Biopharma & Pharma, and in February 2007 was appointed to Executive Vice President, Chief Operating Officer and President, Pharmaceutical Products and Services, the last role he held prior to being appointed President and Chief Executive Officer. Mr. Klosk currently serves on the board of directors of Caladrius (Nasdaq: CLBS) with Dr. Brown.

Having served in a variety of increasingly senior positions with the Company, including President and Chief Executive Officer, Executive Vice President-Administration and Chief Operating Officer, Mr. Klosk has a unique perspective on the day-to-day operations and strategic development of Cambrex. In these positions, Mr. Klosk has been responsible for both the operations of the Company and the overall human resources decisions giving him insight into the talent management process as well as the business and operational functions of the organization.

Shlomo Yanai (age 66). Director since 2012. Non-Executive Chairperson of the Board, Chairperson of the Governance Committee and member of the Compensation Committee. From 2007 until mid-2012, Mr. Yanai served as President and Chief Executive Officer of Teva Pharmaceutical Industries Ltd., a global generic pharmaceuticals leader and one of the top 15 global pharmaceutical companies in the world. From 2003 to 2006, Mr. Yanai was the President and Chief Executive Officer of Makhteshim Agan Industries, a leading global agro-chemicals company.

Mr. Yanai is also Chairman of the board of directors of Protalix BioTherapeutics (NYSE American: PLX), a biopharmaceutical company focused on the development and commercialization of proprietary recombinant therapeutic proteins, serves on the board of directors of PDL BioPharma (Nasdaq: PDLI), and W.R. Grace & Co. (NYSE: GRA), is a member of the board of managers of Q Holdco LLC, and is a senior advisor to Moelis & Company. He has previously served on the boards of Lumenis Ltd. (Nasdaq: LMNS), Sagent Pharmaceuticals (Nasdaq: SGNT), Perrigo Company plc (NYSE: PRGO) and Quinpario Acquisition Corp. (Nasdaq: QPAC).

In addition, Mr. Yanai is a member of the Board of Governors of Technion – Israel Institute of Technology, a member of Board of Trustees of Bar-Ilan University–Israel, and an honorary member of the Board of The Institute for Policy and Strategy of the Interdisciplinary Center (IDC), Herzliya. Mr. Yanai has served as a member of the board of directors of Bank Leumi Le-Israel, Israel's second largest bank, LycoRed Natural Products Industries, and I.T.L. Optronics Ltd. Until his retirement from the Israeli Army in 2001 at the rank of Major General, Mr. Yanai was the head of the Strategy Planning Branch of General Headquarters of the Israel Defense Forces.

Mr. Yanai brings global operating experience in the life-science and pharmaceutical industry, including as Chief Executive Officer of one of the largest generic pharmaceutical companies in the world. Mr. Yanai brings a global perspective to the Board, incorporating his industry and leadership experience. This unique combination of global life-science operating experience, board experience, and outstanding achievement in his military career positions him well to make truly valuable contributions to the Board and management.

#### Company Policies and Procedures related to Review, Approval and Ratification of Transactions with Related Persons

Pursuant to the Company's Corporate Governance Guidelines, the Board expects Cambrex directors, officers and employees to act ethically at all times and to adhere to the Company's Code of Business Conduct and Ethics, including the Company's policy on conflicts of interest. A "conflict of interest" occurs when an individual's personal interests interfere in any way (or even appear to interfere) with the interests of the Company. A conflict situation can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

A potential conflict of interest with respect to a proposed transaction is required to be reported to the Company's General Counsel and Chief Executive Officer and the Board's Governance Committee. The Governance Committee will evaluate the circumstances surrounding the potential conflict of interest and recommend action to the full Board, which will consider any such recommendation. The Board is responsible for the ultimate determination as to whether the transaction giving rise to the potential conflict of interest can proceed.

In addition, the Audit Committee is responsible for the review and approval of related-person transactions that are required to be disclosed under Item 404 of Regulation S-K.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and officers and persons who own more than ten percent of the Company's Common Stock to file reports of ownership

and transactions in the Company's Common Stock with the SEC. Such directors, officers and ten percent stockholders are also required to furnish the Company with copies of all Section 16(a) forms they file.

Based on a review of the copies of such forms received by the Company, and written representations from the Company's directors and officers that no other reports were required, the Company believes that all Section 16(a) filing requirements applicable to its directors, officers and ten percent stockholders were complied with during the 2018 fiscal year, except for one late filing on Form 4 by Mr. Klosk relating to a single transaction.

## CORPORATE GOVERNANCE

The Board is responsible for directing the management of the business and affairs of the Company. The Board holds regular meetings five times each year and holds additional special meetings as necessary. During 2018 the Board held eight meetings. Pursuant to Cambrex's Corporate Governance Guidelines, directors are expected to attend Board meetings, stockholder meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. The Board recognizes that occasional meetings may need to be scheduled on short notice when the participation of a director is not possible and that conflicts may arise that may prevent a director from attending a regularly scheduled meeting. The Board expects, however, that each director will make every reasonable effort to keep absences to a minimum. Although participation by telephone conference or other communications equipment is allowed, personal attendance is encouraged. In 2018, each of our then current directors attended at least 75% of all Board meetings and all meetings of Board committees on which they served. All of our then current directors attended the Company's annual meeting of stockholders in April of 2018.

Our Board has affirmatively determined, after considering all of the relevant facts and circumstances, that all of the directors, other than our President and Chief Executive Officer, Steven M. Klosk, are independent from our management under the standards set forth in the Company's Independence Standards for Directors, which was adopted by the Board in 2004 and is available on the Investor portion of the Company's website ([www.cambrex.com](http://www.cambrex.com)) and which incorporates the independence standards required by the NYSE. This means that none of the independent directors have any direct or indirect material relationship with the Company, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company. As a result, the Company has a majority of independent directors on the Board as required by the listing standards of the NYSE. The Board has also adopted the Code of Business Conduct and Ethics, which is applicable to all directors, officers and employees of the Company, including the Chief Executive Officer, the Chief Financial Officer and the principal accounting officer. This policy can also be found on the Investor portion of the Company's website ([www.cambrex.com](http://www.cambrex.com)).

Independent directors have regularly scheduled executive sessions in which they meet without the presence of members of management. These executive sessions occur before or after each regularly scheduled meeting of our Board and may also occur in conjunction with special meetings. Shlomo Yanai leads these executive sessions as Non-Executive Chairperson of the Board.

### Board Leadership Structure

As described in our Corporate Governance Guidelines, the Board currently believes that the positions of Chief Executive Officer and Chairperson of the Board should be separated in order to provide clear separation of leadership of the Board from that of Company management, and the Board has separated such roles accordingly. Since April 2014, Shlomo Yanai has served as our Non-Executive Chairperson of the Board.

### Risk Oversight

The role of the Board in managing risk at the Company is to have ultimate oversight for the risk management process. Management has day-to-day responsibility for the identification and control of risks facing the Company including timely identifying, monitoring, mitigating and managing those risks that could have a material impact on the Company. Further, management has the responsibility to report these risks as they arise to the Board and its committees and to the Company's auditors. In addition, the Board has delegated risk oversight to each of its committees within their areas of responsibility. In particular, the Audit Committee focuses on financial risk, including internal controls covering the safeguarding of assets and the accuracy and completeness of financial reporting. The Audit Committee also oversees the Company's Enterprise Risk Management program, including

issues relating to cybersecurity. As Vice President, General Counsel and Corporate Secretary, Ms. Hanley is responsible for implementing the Company's compliance and ethics initiatives and updating the Audit Committee as to the effectiveness of those initiatives. The Compensation Committee sets compensation programs for management that take into consideration alignment of management compensation with building stockholder value while avoiding compensation policies that reward excessive risk taking. The Governance Committee oversees the annual Board self-evaluation and director nomination processes in order to ensure a diverse and well balanced Board and provides input to the Board related to the make-up of the Company's senior management team. Finally, the Regulatory Affairs Committee manages risk related to regulatory compliance and provides oversight with regard to the Company's compliance with regulatory requirements including Food and Drug Administration and Drug Enforcement Agency requirements, environmental, safety and health requirements at all of its manufacturing facilities as well as regulatory public policy issues facing the Company. These committees meet regularly and report their findings to the Board throughout the year. The Company also maintains insurance policies that would reimburse the Company for a wide range of potential losses that the Company could incur in due course. The Company regularly reviews the levels, terms and conditions of this coverage to ensure they are prudent given the nature and size of the Company's operations. Management periodically reports to the Audit and Regulatory Affairs Committees regarding the review of the Company's insurance coverage.

#### Stockholder Communications with our Board

The Company is committed to providing stockholders and other interested persons with an open line of communication for bringing issues of concern to the Company's non-management directors.

Any stockholder or interested person may communicate with the Company's non-management directors as a group by sending a communication to the Board, c/o Corporate Secretary, Cambrex Corporation, One Meadowlands Plaza, 15th Floor, East Rutherford, New Jersey 07073. All communications will be reviewed by the Company's Corporate Secretary who will send such communications to the non-management directors unless the Corporate Secretary determines that the communication (i) does not relate to the business or affairs of the Company or the function of the Board or its committees, (ii) relates to insignificant matters that do not warrant the non-management directors' attention or (iii) is not otherwise appropriate for delivery to the non-management directors.

The non-management directors who receive such communication will have discretion to determine the handling of such communication, and if appropriate, respond to the person sending the communication and determine disclosure, which shall be consistent with the Company's policies and procedures and applicable law regarding the disclosure of information.

The Board has established four standing committees: the Regulatory Affairs Committee, the Governance Committee, the Audit Committee, and the Compensation Committee. Each committee has a charter that has been adopted by such committee and approved by the Board. Printable versions of the charters of such committees as well as the Corporate Governance Guidelines and Code of Business Conduct and Ethics are available on our website ([www.cambrex.com](http://www.cambrex.com)), under the "Governance" link of the "Investors" section. The Company will also provide any of the foregoing information in print without charge upon written request to the Corporate Secretary, Cambrex Corporation, One Meadowlands Plaza, 15th Floor, East Rutherford, New Jersey 07073.

#### REGULATORY AFFAIRS COMMITTEE

Kathryn R. Harrigan, Ph.D. Chairperson

Gregory B. Brown, M.D.



Claes Glassell

Bernhard Hampl, Ph.D.

#### Regulatory Affairs Committee

The Regulatory Affairs Committee, which currently consists of four independent directors, oversees the Company's compliance with various Food and Drug Administration and Drug Enforcement Agency regulatory requirements and environmental, health and safety affairs. Each year the Regulatory Affairs Committee develops a calendar-year annual schedule for the coming year. The Chairperson reports the Regulatory Affairs Committee's actions and recommendations to the full Board following each Regulatory Affairs Committee meeting. The Regulatory Affairs Committee held four meetings during 2018.

10

---

## GOVERNANCE COMMITTEE

Shlomo Yanai, Chairperson

Louis J. Grabowsky

Ilan Kaufthal

### Governance Committee

The Governance Committee, which consists of three independent directors, is responsible for, among other things, (i) reviewing the composition of the Board to assure that the proper skills and experience are represented on the Board, (ii) identifying candidates qualified to become Board members, and recommending to the Board the nominees to stand for election as directors at annual stockholder meetings and candidates for newly created directorships and vacancies on the Board, (iii) overseeing the annual evaluation of the Board and management and (iv) developing and reviewing corporate governance principles and recommending changes as necessary. The Charter of the Governance Committee has been adopted by the committee and approved by the Board. Each year the Governance Committee develops a calendar-year annual schedule for the coming year. The Chairperson reports the Governance Committee's actions to the full Board following each Governance Committee meeting. The Governance Committee held three meetings in 2018.

### Consideration of Director Nominees

#### Director Qualifications

The Company's Corporate Governance Guidelines set forth Board membership criteria. As described above, under these criteria, the Governance Committee seeks to identify a diverse group of candidates for the Board who possess the highest personal and professional ethics, integrity and values and are committed to representing the long-term interests of the stockholders. The committee conducts an annual review of the Corporate Governance Guidelines and a self-assessment of the Board. As part of such review, if necessary, the Governance Committee has the discretion to recommend to the Board a modification to the Board membership criteria and make up. In 2019, the Governance Committee adopted a formal policy regarding diversity in evaluating candidates, which has been incorporated into the Corporate Governance Guidelines, and states that in selecting directors, the Board should seek to achieve a mix of Board members that enhances the diversity of experience, professions, skills, geographic representations and background, including with respect to age, gender, international background, race, ethnicity, and specialized experiences.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serve on the Board for an extended period of time. In general, directors should not serve on more than four other boards of public companies in addition to the Cambrex Board, but current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director's service on the Cambrex Board.

#### Identifying and Evaluating Nominees for Directors

The Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Governance Committee regularly assesses the appropriate size of the Board, and whether any vacancies on the Board are expected due to retirement or otherwise. The Governance Committee also reviews annually the performance and contributions of existing Board members to the extent they are candidates for re-election, and considers all aspects of

each candidate's qualifications and skills in the context of the Company's needs at that point in time. In the event that vacancies are anticipated, or otherwise arise, and the Governance Committee concludes that the vacancy should be filled, it will consider various candidates for the vacancy and seek candidates with a broad diversity of experience, professions, skills, geographic representations and backgrounds, including with respect to age, gender, international background, race, ethnicity, and specialized experiences to achieve a mix of Board members that enhances the diversity of background, skills and experience on the Board. When considering candidates as potential Board members, the Board and the Governance Committee evaluate the candidates' ability to contribute to such diversity. Furthermore, in 2019, the Governance Committee adopted a policy mandating that at least one candidate representing a diversity of gender, race, ethnicity, age and/or sexual orientation be included in each pool of candidates from which a Board nominee candidate is chosen. Candidates may come to the attention of the Governance Committee through current Board members, professional search firms, stockholders or other persons. These candidates are evaluated at regular or special meetings of the Governance Committee, and may be considered at any point during the year. The Governance Committee also considers properly submitted stockholder nominations for candidates for the Board. In addition to the standards and qualifications set out in the Company's Corporate Governance Guidelines, the Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, experience with the Company, the balance of management and independent directors, the need for Audit Committee or other expertise and the evaluations of other prospective nominees. There are no differences in the manner in which the Governance Committee evaluates nominees for director based on whether or not the nominee is recommended by a stockholder.

Stockholder Nominees

The Governance Committee will consider nominees recommended by stockholders in accordance with the Company's bylaws. Such recommendations for the 2020 Annual Meeting of Stockholders should be sent to the Corporate Secretary of the Company in accordance with the procedures described under the heading "Stockholder Proposals for 2020." Nominees recommended by stockholders in accordance with these procedures receive the same consideration as any other proposed nominees.

12

---

## AUDIT COMMITTEE

Louis J. Grabowsky, Chairperson

Gregory B. Brown, M.D.

Bernhard Hampl, Ph.D.

Kathryn R. Harrigan, Ph.D.

### Audit Committee

The Audit Committee consists of four independent directors. The Board has determined that each member of the Audit Committee (i) is independent within the meaning of the rules and regulations of the SEC, the NYSE listing standards and the Company's Independence Standards for Directors; and (ii) satisfies the financial literacy requirements of the NYSE listing standards. The Board has also determined that Mr. Louis J. Grabowsky, Audit Committee Chairperson and an independent director, is an "audit committee financial expert," as that term is defined by current SEC rules.

The role of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee (i) the integrity of the Company's financial reporting process; (ii) the Company's systems of internal accounting and financial controls; (iii) the annual independent audit of the Company's financial statements; (iv) the independent registered public accountant's qualifications and independence; and (v) the Company's compliance with legal and regulatory requirements. The Audit Committee's role is one of oversight and it recognizes that the Company's management is responsible for preparing the Company's financial statements and that the Company's independent registered public accountants are responsible for auditing those financial statements.

Each year the Audit Committee develops a calendar-year annual schedule for the coming year. The Chairperson reports the Audit Committee's actions and recommendations to the full Board following each Audit Committee meeting. The Audit Committee met individually with management, with BDO, the Company's independent registered public accountants, and with the Company's outsourced internal auditors, as appropriate. The Audit Committee met five times in 2018.

The Audit Committee reviewed and had discussions with Company management and BDO regarding the quarterly and annual financial statements, including a discussion of accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee also reviewed and had discussions with BDO regarding the matters required to be discussed by Auditing Standards No. 1301, as amended, adopted by the Public Company Accounting Oversight Board ("PCAOB"). Further, the Audit Committee received the written disclosures and the letter from BDO required by PCAOB Rule 3526 (Communication with Audit Committees Concerning Independence) and has discussed such disclosures and letter with representatives of BDO regarding its independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Louis J. Grabowsky, Chairperson

Gregory B. Brown, M.D.

Bernhard Hampl, Ph.D.

Kathryn R. Harrigan, Ph.D.

13

---

## COMPENSATION COMMITTEE

Ilan Kaufthal, Chairperson

Claes Glassell

Shlomo Yanai

### Compensation Committee

The Compensation Committee, which consists of three independent directors, conducts reviews of the Company's general and executive compensation policies and strategies and oversees and evaluates the Company's overall compensation structure and programs. The Board has determined that each member of the Compensation Committee is (i) independent within the meaning of the rules and regulations of the SEC, NYSE listing standards and the Company's Independence Standards for Directors; and (ii) is a "non-employee director" for purposes of Rule 16b-3 of the Securities Exchange Act of 1934, as amended. Each year the Compensation Committee develops a calendar-year annual schedule for the coming year. The Chairperson reports the Compensation Committee's actions and recommendations to the full Board following each Compensation Committee meeting. The Compensation Committee held five meetings during 2018.

The Compensation Committee's role is to work with executive management in overseeing the Company's compensation philosophy and executive compensation program and discharging the responsibilities of the Board relating to compensation of its executive officers. The Compensation Committee determines compensation for the President and Chief Executive Officer and reviews and approves compensation and bonus programs for all executive officers. Compensation recommendations for executive officers other than the President and Chief Executive Officer are initiated by the President and Chief Executive Officer for discussion and decision by the Compensation Committee. The Compensation Committee also oversees the Company's general employee benefit programs, including the Company's employee equity plans. The Compensation Committee also annually conducts a self-evaluation of its own performance for the prior year in order to encourage continuous improvement.

### Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee during 2018 were Ilan Kaufthal, Claes Glassell, Shlomo Yanai, and Rosina B. Dixon (until her retirement following the 2018 Annual Meeting of Shareholders) each of whom was a non-employee independent director. No member of the Compensation Committee had any direct or indirect material interest in a transaction of the Company or a business relationship with the Company, in each case that would require disclosure under Item 404 of Regulation S-K.

### Compensation Committee Report

The Compensation Committee has reviewed and discussed the following Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

This Report is provided by the following non-employee independent directors who comprise the Compensation Committee.

Ilan Kaufthal, Chairperson

Claes Glassell

Shlomo Yanai

14

---



## COMPENSATION DISCUSSION AND ANALYSIS

The following is a discussion and analysis of our executive compensation program and compensation decisions made for the fiscal year ended December 31, 2018. This discussion relates to the executive officers named in the Summary Compensation Table included within the Compensation Discussion and Analysis section of the Proxy Statement. We refer to these officers as the “Named Executive Officers.”

The following discussion includes statements regarding performance targets with respect to our executive compensation program.

### Executive Summary

The aim of our executive compensation program is to deliver competitive compensation and benefit plans that support our objective to attract, motivate and retain high-quality executives and reward them for performance that generates long-term shareholder value. We endeavor to reward our Named Executive Officers equitably and competitively through an appropriately structured mix of base salary, short-term and long-term incentives, employee benefits, career growth, and development opportunities. A significant portion of our executive compensation program takes the form of incentive compensation with a direct relationship to the Company’s operating and share price performance. Our belief is that this balance of compensation and development components serves to drive company performance and promotes executive retention.

Our Named Executive Officers for our fiscal year ended December 31, 2018, were the following individuals:

- Steven M. Klosk, President and Chief Executive Officer
- Shawn P. Cavanagh, Executive Vice President and Chief Operating Officer
- Gregory P. Sargen, Executive Vice President and Chief Financial Officer<sup>1</sup>
- Samantha M. Hanley, Vice President, General Counsel and Corporate Secretary
- Tom Vadaketh, Former Executive Vice President and Chief Financial Officer<sup>2</sup>

### Objectives of our Executive Compensation Program

We seek through our executive compensation program to attract, motivate and retain talented executives with the requisite skills and abilities to enable the Company to achieve superior results. In order to promote achievement of these objectives, we do the following:

- **Offer a Competitive Compensation Package.** We seek to provide a total compensation package, including base salary, cash incentives and long-term incentive awards, which is competitive relative to our peer group for the markets in which Cambrex competes for executive talent.
- **Reward performance.** We place a strong emphasis on results, and therefore a significant portion of our executives’ compensation package is performance-based compensation, including cash incentives and long-term incentive awards, that is designed to reward executives for achievement of the Company’s goals, as well as the executives’ contributions to the achievement of those goals. Our compensation philosophy is to reward decision making that achieves superior operating results.
- **Align the interests of our executives with those of our shareholders.** A significant portion of our compensation program is in the form of long-term incentive awards, which serve to align the interests of our executives with those of our shareholders by rewarding executives for increasing shareholder value. Our executive compensation program is designed to foster a culture of ownership and accountability, enabling our executives to share meaningfully in long-term increases in shareholder value.

Mr. Sargen served as Executive Vice President (Corporate Development and Strategy) of the Company for all of 2018 and assumed the additional role of Chief Financial Officer upon Mr. Vadaketh's resignation on September 4, 2018.

<sup>2</sup> Mr. Vadaketh held the role of Executive Vice President and Chief Financial Officer until his resignation, which was effective as of September 4, 2018.

15

---

## Highlights of our Corporate Governance Practices

To promote robust corporate governance practices, our executive compensation program incorporates the following key features:

**Pay-for-Performance:** A substantial proportion of our executive compensation program is tied to performance and therefore, is at risk and not guaranteed. Actual earned compensation requires attainment of specified Company performance targets and is determined based on the executive's performance against applicable Company performance objectives.

**Balanced Compensation Design:** Our executive compensation program is designed to support the Company's business strategy and to incentivize our executives to act in alignment with our shareholders' interests and to reward them for outcomes that benefit our shareholders.

**Peer Group Selection:** Cambrex conducts an annual review of our compensation peer group as a means to ensure that the number of peer companies is appropriate and each peer company continues to be similar to Cambrex in annual revenue and industry and that our selected peers are competitors for customers and/or executive talent.

**Compensation Benchmarking:** Cambrex performs benchmarking exercises on a recurring basis to make certain that its executive compensation program offers an appropriately balanced mix of fixed versus variable compensation and to make sure that our overall compensation levels are in line with those offered by companies with which we compete for customers and/or executive talent.

**Proactive Management of Share Utilization:** During the course of the year, Cambrex routinely reviews and projects share utilization to make certain that sound overhang and annual run rate levels are in place. This data is shared with the Compensation Committee on a regular basis for the evaluation of current levels of dilution and to understand the effect of dilution as a factor in the future design of the Company's equity program.

- **Robust Hedging and Pledging Policy:** Under the Company's Securities Transactions Policy, all persons covered by the policy (including each of our Named Executive Officers) are prohibited from engaging in short sales with respect to shares of our Common Stock or derivatives transactions with respect to our securities (including buying or selling put, call or other options, other than under a Company benefit or incentive plan). In addition, persons covered by the policy (including each of our Named Executive Officers) are prohibited from pledging the Company's securities as collateral for a loan or holding the Company's securities in a margin account.

**Executive Stock Ownership Guidelines:** The stock ownership guidelines, which apply to our most senior executive officers, promote the alignment of the long-term interests of the covered executive officers with the long-term interests of the Company's stockholders, reduce incentives for risk-taking that could be motivated principally by short-term share price appreciation, and further promote our commitment to sound corporate governance. The stock ownership guidelines provide that our President and Chief Executive Officer must own shares of the Company's Common Stock valued at three times his base salary and each of our Executive Vice Presidents must own shares of the Company's Common Stock valued at one times his base salary. Each covered executive officer is required to meet the stock ownership guidelines within five years of the date of the policy's adoption (i.e., by February 23, 2021) or five years from the date an employee is covered by the policy, whichever is later. As of February 5, 2019, each of our covered executive officers owned shares with an aggregate value that exceeded his applicable threshold under these stock ownership guidelines.

### Determination of Competitive Compensation

The Compensation Committee determines the compensation of our President and Chief Executive Officer, as well as the compensation of our other Named Executive Officers. Our President and Chief Executive Officer provides recommendations to the Compensation Committee on the compensation of the Named Executive Officers (other than for himself), and consults with the Compensation Committee regarding such recommendations. Our lead human resources executive assists our President and Chief Executive Officer in preparing recommendations to the Compensation Committee regarding key elements of our executive compensation program. Further, the human resources department assembles compensation information relating to the Named Executive Officers, including

information about the compensation practices at our peer group companies, for the Compensation Committee's consideration.

In determining compensation, the Compensation Committee reviews each Named Executive Officer's total compensation package, including salaries, target annual and long-term incentives, retirement benefits, severance arrangements and change of control arrangements. The Committee also evaluates each Named Executive Officer's

contributions to the Company's performance and benchmarking data, economic and market conditions. As part of establishing compensation policies and making compensation determinations, the Compensation Committee also considers feedback received from our shareholders, which includes the results of the advisory votes at our most recent annual meeting. The Compensation Committee considered the favorable results of the 2017 shareholder advisory vote on executive compensation as one of several factors in maintaining the overall design of our executive compensation program for 2018. As supported by our stockholders, the Board has determined to hold a vote annually on our executive compensation program until the next frequency vote.

#### Peer Group Comparison Data

For 2018, the Company's human resources department updated benchmark data that had been prepared for the Compensation Committee in 2017. We use Kenexa's CompAnalyst ExecComp system, which we understand to be utilized by many independent compensation consultants, to determine an appropriate peer group, analyze executive compensation, and facilitate the compilation and review of benchmark data from companies in our peer group. This process serves to help ensure that our executive compensation program is competitive and in line with market practice among our peer group.

After considering a variety of factors, including the updated compensation information prepared by the Company, as well as with input from the President and Chief Executive Officer and Chief Financial Officer, the Compensation Committee determined the applicable 2018 benchmarking targets. For 2018, the Compensation Committee concluded that for each of our Named Executive Officers it was appropriate to evaluate total direct compensation targets (i.e., salary, annual cash incentives and long-term incentives) against the compensation of similarly situated executives at companies within a specified peer group. The Compensation Committee considers the executive's experience, qualifications, historical performance and other factors when determining whether compensation targets should be below, at, or above the peer group median for each Named Executive Officer. The peer group for 2018 consisted of the following 16 publicly-traded life sciences companies that are similar in size to the Company (that is, within a 2017 revenue range of \$237M to \$1,117M with the median revenue being \$536M), and are competitors for customers and/or executive talent:

Aceto Corporation	Genomic Health Inc
Acorda Therapeutics Inc.	Impax Laboratories Inc.
Akorn Inc.	Ionis Pharmaceuticals Inc.
Eagle Pharmaceuticals	Lannett Company, Inc.
Balchem	Luminex Corporation
Bio-Techne Corporation	Omniceil, Inc.
Depomed Inc.	Prestige Brands Holdings, Inc.
Emergent Biosolutions Inc.	Supernus Pharmaceuticals

Composition of the 2018 peer group remained unchanged from the peer group used in 2017 with the exception of the following: Albany Molecular Research Inc. was removed due to its acquisition by a private equity group and PDL Biopharma was removed due to its low market capitalization and revenue. In keeping with our criteria for peer selection of publicly-traded life sciences companies that are similar in size to the Company who may be competitors for business and or talent, we added Eagle Pharmaceuticals and Supernus Pharmaceuticals such that our total number of peers remained at 16.



## Elements of Compensation

The following summarizes the various elements of the total compensation package of our executives, including the Named Executive Officers:

### Base Salary

The Compensation Committee reviews the base salaries of our Named Executive Officers annually to ensure, subject to any applicable contractual limitations, that they are competitive and fairly compensate the Named Executive Officers for their roles with the Company. The Compensation Committee generally targets a base salary level for each Named Executive Officer at or near the median base salary of similarly situated executives of our peer group of companies, but also considers, on a subjective basis, the Named Executive Officer's effectiveness in his or her role, the overall nature, level and complexity of his or her responsibilities, and his or her tenure in the role. The Compensation Committee also considers the recommendations of the Chief Executive Officer (other than for his own base salary).

In general, the Compensation Committee considers annual base salary increases for our Named Executive Officers approximately every 18 months. Based on individual and company performance, and informed by executive compensation benchmarking of our peer groups, the Compensation Committee approved base salary increases for the Named Executive Officers on July 26, 2018, effective August 1, 2018 (except for Ms. Hanley whose salary increase was effective January 1, 2018). Mr. Klosk's base salary was increased from \$725,000 to \$783,000, Mr. Cavanagh's base salary was increased from \$550,000 to \$600,000, Ms. Hanley's base salary was increased from \$325,000 to \$360,000, and Mr. Vadaketh's base salary was increased from \$400,000 to \$450,000. Mr. Sargen did not receive a base salary increase during 2018 as the Compensation Committee determined that in light of Mr. Sargen's role as Executive Vice President, Corporate Development & Strategy and objectives relating thereto, an enhanced bonus opportunity based on our progress against our key 2018 strategic initiatives would be more appropriate than a salary adjustment for 2018, as discussed further below.

### Performance-Based Compensation

Annual performance-based compensation and long-term incentive awards comprise a significant portion of the compensation we pay to our Named Executive Officers. These compensation components are essential to our pay-for-performance philosophy, which seeks to base compensation on (i) the level of achievement of the Company's strategic and financial goals (as well as a Named Executive Officer's contributions towards the achievement of those goals), and (ii) the creation of shareholder value over the long-term.

In 2018, the Compensation Committee communicated to our Named Executive Officers that they would be eligible for a special bonus opportunity for 2018 based on their success against strategic initiatives, including any actions during 2018 that, in the Compensation Committee's view, significantly enhanced current or future value creation, including but not limited to mergers and acquisitions, successful new business developments, new strategic customer relationships, and operational excellence. The Compensation Committee did not prescribe in advance the form and amount of the payout but instead reserved the discretion to make the awards based on its evaluation of our senior management's efforts.

In 2018, the Company made significant strides against those strategic goals. On September 12, 2018, the Company acquired Halo Pharmaceuticals, a leading finished dosage form contract development and manufacturing organization, for approximately \$425 million. Later, on November 20, 2018, the Company agreed to acquire Avista Pharma Solutions, a contract development, manufacturing, and testing organization, for approximately \$252 million. The Avista Pharma Solutions acquisition closed on January 2, 2019. Taken together, we view these transactions as providing significant diversification and growth opportunity for our business. In early 2019, the Compensation

Committee, in consideration of these transactions and other contributions toward our key strategic initiatives in 2018, increased the cash bonuses for our Named Executive Officers for 2018 and granted special time-vesting restricted stock unit awards to each of our Named Executive Officers, as described further below, to recognize their efforts in the successful completion of these acquisitions and to incentivize them to remain with the Company as we work to successfully integrate these new business lines.



## Annual Cash Incentive Awards

Each year the Compensation Committee, in consultation with the President and Chief Executive Officer and the Chief Financial Officer, establishes performance metrics and related targets for the Company's Named Executive Officers. At year end, the attainment of results, measured against the Named Executive Officers' targets, is reviewed and the cash incentive award is approved by the Compensation Committee.

The following table reflects the minimum, target and maximum levels for the Company-based performance metrics used in calculating 2018 incentive awards for each of our Named Executive Officers:

(\$ in millions)

Performance Metric	Minimum	Target	Maximum	Weight
Net Revenue Growth	-2 %	0 %	2 %	30 %
Adjusted EBITDA	\$ 150.0	\$ 155.0	\$ 160.0	50 %
Free Cash Flow	\$ 35.0	\$ 40.0	\$ 45.0	20 %

The "Net Revenue Growth" metrics set forth in the table above were based on the Company's 2017 net revenue amount, excluding, in each case, the impact of changes in foreign exchange rates. Using Net Revenue Growth as a metric motivates executives to execute on strategies and policies and to make good operating decisions to maximize growth over the course of the year. "Adjusted EBITDA" is a non-GAAP measure that is defined by the Company as operating profit from continuing operations plus depreciation and amortization, in each case as reported in our Annual Report on Form 10-K, and further adjusted as indicated in the last sentence of this paragraph. We have found that Adjusted EBITDA serves as an effective proxy for a company's current operating profitability, and is readily understood by our employee population. Further, Adjusted EBITDA is utilized by investors and other consumers of our financial statements as a supplement to other financial metrics (including net revenue and free cash flow) which, when reviewed with our GAAP results and the associated reconciliation, we believe provides additional data that is useful to obtain an understanding of the variables and developments influencing our business. Free Cash Flow is calculated as operating cash flow minus capital expenditures. Free Cash Flow is representative of the cash that a company is able to amass after the expenditures required to sustain or grow its asset base. All metrics exclude any restructuring costs, the impact of acquired or divested companies during the year and related transaction and integration costs, the results of discontinued operations, and charges related to pension settlements.

The amount of each Named Executive Officer's annual cash incentive compensation is based on a percentage of the Named Executive Officer's base salary, prorated for the weight accorded to each metric. For performance below the minimum threshold, no incentive award is paid. For each Named Executive Officer (other than Ms. Hanley as described below), up to 40% of base salary would generally be payable as an annual cash incentive award if minimum threshold performance is achieved, up to 60% of base salary would generally be payable if performance met the target threshold, and up to 200% of base salary would generally be payable if performance met or exceeded the maximum threshold. For 2018, the percentages of base salary related to minimum, target and maximum level performance for Ms. Hanley were 22.5%, 45% and 90%, respectively. The minimum, target and maximum thresholds, each as a percentage of his or her annual base salary, remained the same in 2018 for each of our Named Executive Officers.

For performance levels between thresholds, the potential award percentage for each metric is interpolated on a straight line basis. In 2018, the Compensation Committee retained discretion to adjust upward or downward the payout under the annual cash incentive plan based on its subjective assessment of the Company's and/or the individual Named

Executive Officer's performance for the year. Consistent with prior years, in 2018, the Compensation Committee did not establish formal goals or objectives for the Named Executive Officers with regard to individual performance. However, as discussed above, the Compensation Committee considered the achievement of strategic initiative objectives, including any action or achievement during 2018 that would significantly enhance future value creation for shareholders, to be of significant importance.

For 2018, the Company had Net Revenue Growth of -3.1%, Adjusted EBITDA of \$159.63 million (excluding the impact of upward adjustments to cash bonuses discussed below), and Free Cash Flow, excluding the impact of acquisitions and divestitures, of \$50.7 million. This overall performance yielded a baseline annual cash incentive award of 134.9% of base salary for the following Named Executive Officers in the amounts shown: Mr. Klosk – \$1,056,079, Mr. Cavanagh – \$809,256, and Mr. Sargen – \$674,380, and 61.43% of base salary for Ms. Hanley in the amount of \$220,871. In light of our Named Executive Officers' roles in executing the Company's strategic initiatives during 2018, including the acquisitions of Halo Pharmaceuticals and Avista Pharma Solutions, the Compensation Committee exercised its discretion to increase the 2018 annual bonus for each of our Named Executive Officers by \$391,667 for each of Messrs. Klosk, Cavanagh, and Sargen, and \$325,000 for Ms. Hanley.

Mr. Sargen's 2018 annual bonus was increased an additional \$100,000 in light of his key role in driving progress against our key 2018 strategic initiatives, and in lieu of a salary increase, as noted above.

#### Long Term Incentive Awards

The Compensation Committee views long-term incentive awards as an integral component of our compensation program, promoting executive retention and creation of long-term shareholder value by aligning the interests of Named Executive Officers with those of our shareholders. In general, the Compensation Committee uses the median of long-term incentive awards granted by the peer group as a reference point when evaluating long-term incentive awards as part of the Named Executive Officers' overall compensation. While the peer group data for the Named Executive Officer's position is the key factor in determining the amount of long-term incentive awards, the Compensation Committee also considers such factors as the Named Executive Officer's effectiveness in his or her role, the amounts of prior awards, the overall nature, level and complexity of his or her responsibilities, his or her tenure in the role, and to the extent that it is a limiting factor, the number of shares available to be granted under shareholder approved equity incentive plans.

Each of our Named Executive Officers received long-term incentive awards in 2018. These awards consisted of stock options and stock-settled performance share units ("PSUs") granted under the Company's 2009 Long Term Incentive Plan for Messrs. Klosk, Cavanagh, and Sargen and stock options for Ms. Hanley. The Compensation Committee chose to grant stock options to provide these Named Executive Officers with an incentive to drive long-term appreciation in the value of the Company's stock for the benefit of shareholders. Stock options provide value to the recipient only if the price of the Company's Common Stock increases above the option's exercise price, which is set at the fair market value of the Common Stock on the date of the grant. The Compensation Committee also chose to grant PSUs to Messrs. Klosk, Cavanagh, and Sargen to reward these executives for our performance compared to the performance of publicly-traded life sciences companies competing in the same industry as the Company. Typically, our PSUs are based on three-year performance measures and are not paid out until after the third anniversary of the grant date. Our stock options generally vest in equal increments over a four-year period upon each annual anniversary of the grant date. These vesting schedules and vesting conditions apply to the PSUs and stock options granted in 2018. Both stock options and PSUs are subject to a Named Executive Officer's continued employment through the applicable vesting date, but may vest sooner in whole (in the case of stock options) or in part (in the case of PSUs) upon a change of control or, in the case of PSUs, in the event of termination under certain circumstances of the grantee's employment.

In October 2018, Messrs. Klosk, Cavanagh, Sargen and Ms. Hanley received grants of 30,000 stock options, 25,000 stock options, 20,000 stock options and 20,000 stock options, respectively, each with an exercise price set at \$53.605. The Company sets exercise prices for each option grant at the mean price between the daily high and low trading prices for its Common Stock on the option's grant date.

The 2018 PSU awards provide the Named Executive Officer the right to receive a certain number of shares of the Company's Common Stock in the future, the amount of which depends on the Company's level of achievement of revenue growth and EBITDA growth as compared to the revenue growth and EBITDA growth of the members of a specified peer group of companies over a specified performance period. For purposes of the PSU awards made to Named Executive Officers in 2018, the peer group against which Cambrex's performance will be measured consists of those companies with 2017 revenues between ten percent (10%) and seven hundred and fifty percent (750%) of the Company's 2017 revenues that are contained in the GICS Code of 352030, Life Sciences Tools and Services, as of the first day of the month in which an award was granted and for which the relevant metrics are calculable. For purposes of measuring relative revenue and EBITDA growth as applied to our PSU awards, we determined that it was appropriate to use a broader group of competitors within our industry than we use for our executive compensation program generally because we believe that many of our investors are likely to view investing in those companies as

potential alternatives to investing in Cambrex. While there is overlap between that group and our general executive compensation peer group, as described above, the latter group is more narrowly focused on companies that we believe are more likely to be direct competitors for talent, which we think is more appropriate for consideration in setting executive compensation levels.

In October 2018, the Company granted PSU awards for up to a maximum of the following number of shares of our Common Stock to the following Named Executive Officers: Mr. Klosk – 42,000 shares; Mr. Cavanagh – 37,000 shares; Mr. Sargen – 30,000 shares. The Compensation Committee determined these grant amount to be appropriate in light of, among other things, the need to create a strong retention incentive for these Named Executive Officers as we integrate Halo and Avista into the Company and continue to work toward accomplishing the key

strategic initiatives described above. The period for measuring performance for the PSUs is generally the one-year period beginning on the second anniversary of the first day of the month in which an award was granted. The components for measuring performance are Revenue and EBITDA. Each of these performance metrics is weighted at 50%. Revenue and EBITDA during this one-year period are compared to the one-year period ending the month before the grant date. The grantee will earn up to 25% of the maximum value of the award if the Company performs at the 25<sup>th</sup> percentile of the peer companies, up to 50% of the maximum value of the award if the Company performs at the 50<sup>th</sup> percentile and up to 100% of the maximum value of the award if it performs at the 75<sup>th</sup> percentile. For performance levels between thresholds, the amount payable under the award is determined by interpolating on a straight line basis between the higher and lower thresholds. If the Company's performance falls below the 25<sup>th</sup> percentile for revenue growth or EBITDA growth over the three-year period, the grantee will receive no shares under the award in respect of such metric. The maximum value of the award would be payable in the event that the Company performed at or above the 75<sup>th</sup> percentile for both metrics over the three-year period.

As noted above, in light of our Named Executive Officers' roles in furthering the Company's strategic initiatives during 2018, including their roles in the acquisitions of Halo Pharmaceuticals and Avista Pharma Solutions, the Compensation Committee on January 31, 2019, granted each of our Named Executive Officers time-vesting restricted stock units ("RSUs"). Our Named Executive Officers received grants in the following amounts: Mr. Klosk – 10,378 RSUs, Mr. Cavanagh – 7,264 RSUs, Mr. Sargen – 6,227 RSUs, and Ms. Hanley – 1,131 RSUs. One half of each award of RSUs is scheduled to vest on January 1, 2020, and the other half of the award is scheduled to vest on January 1, 2021, in each case, generally subject to the Named Executive Officer's continued employment through the applicable vesting date. The Compensation Committee determined that this vesting schedule was appropriate to provide incentives for each of our Named Executive Officers to remain employed with us during the key period during which the acquired companies are expected to be integrated into the Company.

#### Severance and Change of Control Agreements

Cambrex has entered into employment and change of control agreements with certain Named Executive Officers, which are discussed in detail below in the section entitled "Potential Payments Upon Termination or Change of Control." Also detailed in that section are the potential payouts for each of the Named Executive Officers under a variety of potential termination scenarios covered by the agreements. Those potential payouts are part of the total compensation package for each Named Executive Officer reviewed by the Compensation Committee each year, and are designed to provide for continuity of management in the event of an actual or potential change in control of the Company. The agreements also include non-competition provisions that bind our Named Executive Officers and which may not otherwise be part of the employment relationship. The Company did not amend any existing employment or change of control agreements with any Named Executive Officers in 2018.

#### Retirement Plans

The Company maintains the Cambrex Corporation Savings Plan (the "Savings Plan"), which is a defined contribution retirement savings plan intended to be qualified under Section 401(a) of the Internal Revenue Code (the "Code"). Cambrex's U.S.-based employees are able to defer to the Savings Plan on a pre-tax basis up to the lesser of 50% of their annual salary or the limit prescribed by the Code. The Company matches 100% of the first 3% and 50% of the next 3% of a participant's pay that he or she defers. The Company's matching contributions vest in 20% increments based on a participant's years of employment with the Company, with full vesting after five years. Each of our Named Executive Officers participated in the Savings Plan in 2018. The Company believes the Savings Plan is a key employee benefit that serves to attract and retain employees, including our Named Executive Officers.

The Company also maintains the Retirement Plan for Cambrex Employees (the "Qualified Plan"), a tax-qualified defined benefit pension plan, and the Supplemental Executive Retirement Plan (the "SERP"), a non-qualified defined

benefit pension plan, both of which were frozen in 2007. Messrs. Klosk and Cavanagh participate in the Qualified Plan due to their pre-2007 service and Mr. Klosk participated in the SERP prior to January 2018, when the final payment was made under the plan.

## Tax Considerations

Section 162(m) of the Code generally limits to \$1 million the amount that Cambrex may deduct for federal income tax purposes in any calendar year in respect of compensation for the year for certain executive officers. For 2017 and prior years, this deduction limit did not apply to compensation that qualified as performance-based under Section 162(m). The performance-based compensation exception to Section 162(m) was repealed, and certain other changes were made to Section 162(m), generally effective for taxable years beginning after December 31, 2017. As a result, compensation paid to certain of our current and former executive officers in excess of \$1 million in a taxable year generally was not deductible beginning in 2018 unless the compensation was paid under an arrangement that qualifies for transition relief applicable to legally-binding contracts that were in effect on November 2, 2017. In 2018, in determining awards as part of our compensation program, the Compensation Committee generally took into account the availability of a tax deduction for the awards but views tax deductibility as only one of several factors that bear upon the appropriateness of particular compensation decisions. The Compensation Committee continues to monitor the impact of the changes to Section 162(m) on our compensation program.

## Clawback Requirements

In the event that we are required to prepare an accounting restatement as a result of misconduct, to the extent required by law, our Chief Executive Officer and Chief Financial Officer are required under certain circumstances to reimburse the Company for bonuses, other incentive-based or equity-based compensation, and profits realized on the sale of our securities. The SEC has proposed but not finalized rules regarding adoption of a mandatory policy on recovery of incentive-based compensation as required under Section 10D of the Securities Exchange Act of 1934. We expect to adopt a policy on recovery of incentive-based compensation in connection with the implementation of those final rules.

## COMPENSATION OF EXECUTIVE OFFICERS

## Summary Compensation Table for 2018, 2017 and 2016

The following table shows for fiscal years 2018, 2017, and 2016 the compensation awarded, paid to, or earned by the Named Executive Officers.

Name and Principal Position	Year	Salary <sup>1</sup> (\$)	Stock Awards <sup>2</sup> (\$)	Option Awards <sup>3</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>4</sup> (\$)	Change in Pension Value <sup>5</sup> (\$)	All Other Compensation <sup>6</sup> (\$)	Total Compensation <sup>7</sup> (\$)
Steven M. Klosk President and Chief Executive Officer	2018	\$749,167	\$1,125,705	\$638,349	\$1,447,746	\$32,775	\$12,375	\$4,006,117
	2017	\$718,750	\$889,980	\$656,260	\$1,139,700	\$38,130	\$12,150	\$3,454,970
	2016	\$650,000	\$1,016,250	\$777,985	\$1,300,000	\$26,318	\$11,925	\$3,782,478
Shawn P. Cavanagh Executive Vice President and Chief Operating Officer	2018	\$570,833	\$991,693	\$531,958	\$1,200,923	\$(17,445)	\$12,375	\$3,290,337
Gregory P. Sargen Executive Vice President and Chief Financial Officer	2018	\$500,000	\$804,075	\$425,566	\$1,166,047		\$12,375	\$2,908,063
	2017	\$497,500	\$616,140	\$431,750	\$786,000	\$—	\$12,150	\$2,343,540
	2016	\$470,000	\$609,750	\$466,791	\$940,000	\$—	\$11,925	\$2,498,466
Samantha M. Hanley Vice President,	2018	\$360,000	\$—	\$425,566	\$545,871	\$—	\$12,375	\$1,343,812
	2017	\$325,500	\$—	\$345,400	\$246,224	\$—	\$12,150	\$929,274



General Counsel  
and

Corporate

Secretary

2016	\$310,000	\$—	\$388,993	\$248,000	\$—	\$11,925	\$958,918
------	-----------	-----	-----------	-----------	-----	----------	-----------

Tom Vadaketh <sup>7</sup>  
Former Executive

2018	\$272,564	\$—	\$—	\$—	\$—	\$12,265	\$284,829
------	-----------	-----	-----	-----	-----	----------	-----------

Vice President  
and

Chief Financial

Officer

2017	\$377,778	\$616,140	\$1,231,748	\$628,800	\$—	\$62,150	\$2,916,616
------	-----------	-----------	-------------	-----------	-----	----------	-------------

<sup>1</sup> Salary. Cambrex's fiscal year ends December 31.

<sup>2</sup> Stock Awards. Amounts reflect the aggregate grant date fair value of the PSU awards granted to each Named Executive Officer computed in accordance with FASB ASC Topic 718. The grant date fair value of PSUs assumes performance at the target level, which would result in the delivery of (i) for grants made in 2018, 21,000, 18,500, and 15,000 shares with respect to the awards for Messrs. Klosk, Cavanagh, and Sargen, respectively, (ii) for grants made in 2017, 19,500, 17,000, 13,500 and 13,500 shares with respect to the awards for Messrs. Klosk, Cavanagh, Sargen and Vadaketh, respectively,

and (iii) for grants made in 2016, 25,000, 17,500 and 15,000 shares with respect to the awards for Messrs. Klosk, Cavanagh and Sargen, respectively. Assuming performance at maximum levels, the grant date fair values (determined in accordance with FASB ASC Topic 718) of the PSUs would have been as follows: (i) for grants in 2018 to Messrs. Klosk, Cavanagh, and Sargen, \$2,251,410, \$1,983,386, and \$1,608,150 respectively, (ii) for grants in 2017 to Messrs. Klosk, Cavanagh, Sargen and Vadaketh, \$1,779,960, \$1,551,760, \$1,232,280 and \$1,232,280, respectively. The Long Term Incentive Awards section within the Compensation Discussion and Analysis section of this document includes further explanation of PSUs and refers to the number of units that can be earned at different levels of performance.

<sup>3</sup> Option Awards. Amounts reflect the aggregate grant date fair value of the awards computed in accordance with FASB ASC Topic 718. The option award values are calculated as of the grant date based on the number of options granted using a Black-Scholes

calculation of fair value that the Company uses to calculate compensation expense. With respect to the 2018 option awards, the assumptions for the valuation are set forth in Note 17 of the Company's financial statements included in the Form 10-K filed with the SEC on February 13, 2019. With respect to the 2017 option awards, the assumptions for the valuation are set forth in Note 16 of the Company's financial statements included in the Form 10-K filed with the SEC on February 8, 2018. With respect to the 2016 option awards, the assumptions for the valuation are set forth in Note 17 of the Company's financial statements included in the Form 10-K filed with the SEC on February 3, 2017.

<sup>4</sup> Non-Equity Incentive Plan Compensation. The 2018 amounts reflect the entire annual cash incentive plan awards paid in February 2019 for fiscal year 2018 performance. As described under the subheading “Annual Cash Incentive Awards” in the Compensation Discussion and Analysis, the amounts shown above reflect an upward adjustment in the amounts for 2018 annual bonuses based on the Named Executive Officer’s contributions toward our 2018 key strategic initiatives in the amount of \$391,667 for each of Mr. Klosk and Mr. Cavanagh, \$491,667 for Mr. Sargen (including the \$100,000 adjustment to his bonus in lieu of a 2018 annual base salary increase, as noted above), and \$325,000 for Ms. Hanley.

<sup>5</sup> Change in Pension Value and

Non-Qualified  
Deferred  
Compensation  
Earnings. This  
column shows the  
aggregate change  
in the actuarial  
present value of  
Mr. Klosk's and  
Mr. Cavanagh's  
accumulated  
benefits under all  
of our defined  
benefit pension  
plans. Benefits  
earned under the  
Qualified Plan and  
the SERP were  
frozen in 2007 for  
all participants,  
and therefore  
amounts included  
within this column  
represent only the  
change in  
discounted present  
values of benefits  
due to changes in  
long term interest  
rates or other  
actuarial  
assumptions. The  
final installment  
of payments owed  
under the SERP  
was paid in  
January 2018 and  
no other amounts  
are payable under  
the plan. For  
more information  
regarding accrued  
benefits under our  
pension plans, see  
the "Pension  
Benefits" table.

<sup>6</sup> All Other  
Compensation. For  
2018, the amount  
shown for Messrs.

Klosk, Cavanagh,  
Sargen and Ms.  
Hanley represents  
a Savings Plan  
match of  
\$12,375. For Mr.  
Vadaketh the  
amount represents  
a Savings Plan  
match of \$12,265.

<sup>7</sup> Mr. Vadaketh  
resigned effective  
September 4,  
2018.

Grant of Plan-Based Awards Table for 2018

The following table contains information concerning each grant of an award made to each of the Named Executive Officers for 2018 under any plan.

	Type of Award	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards <sup>1</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>2</sup>			All other Securities Underlying of Options <sup>3</sup>	Exercise Price of Shares (\$/Sh)	Grant Date	Grant Fair Value of Stock Option Awards <sup>4</sup> (\$)
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
John M. Klosk	PSU	10/24/18	\$313,200	\$469,800	\$1,566,000	10,500	21,000	42,000			\$1,125,000	
	Stock Options	10/24/18							30,000	\$53.61	\$52.40	\$638,300
John P. Cavanagh	PSU	10/24/18	\$240,000	\$360,000	\$1,200,000	9,250	18,500	37,000			\$991,600	
	Stock Options	10/24/18							25,000	\$53.61	\$52.40	\$531,900
Henry P. Sargen	PSU	10/24/18	\$200,000	\$300,000	\$1,000,000	7,500	15,000	30,000			\$804,000	
	Stock Options	10/24/18							20,000	\$53.61	\$52.40	\$425,500
Jantha M. Hanley	Stock Options	10/24/18	\$81,000	\$162,000	\$324,000				20,000	\$53.61	\$52.40	\$425,500
David Wadaketh <sup>6</sup>	PSU		\$180,000	\$270,000	\$900,000	-	-	-	-	\$-	\$-	\$-
	Stock Options											

Non-Equity Incentive Plan amounts reflect threshold, target and maximum award amounts established for fiscal year 2018 under the Company's annual cash incentive plan. The actual amounts earned for 2018 performance and paid in February of 2019 are reported on the Summary Compensation Table. Information on the performance metrics applicable to these awards under our annual cash incentive plan is included in the “Annual Cash Incentive Awards” section of the Compensation Discussion and Analysis.

<sup>2</sup> Equity Incentive Plan Awards reflect the PSUs granted to Messrs. Klosk, Cavanagh, and Sargen on October 24, 2018. Details of the performance criteria are included in the “Long-Term Incentive Awards” section of the Compensation Discussion and Analysis.

<sup>3</sup> Option exercise price is calculated as an average of the high and low trading



price of the  
Company's Common  
Stock on the date  
that the option is  
awarded.

<sup>4</sup> Represents grant  
date closing price of  
shares underlying  
option and PSU  
grants.

<sup>5</sup> Amounts reflect  
the aggregate grant  
date fair value of the  
awards computed in  
accordance with  
FASB ASC Topic  
718. See footnotes 2  
and 3 to the  
Summary  
Compensation Table  
for additional  
information  
regarding certain  
assumptions related  
to the amounts  
shown.

<sup>6</sup> Mr. Vadaketh  
resigned effective  
September 4, 2018.  
As a result, he did  
not receive an  
annual bonus for  
2018, and no stock  
options or PSUs  
were granted to him  
in 2018.

Outstanding Equity Awards at 2018 Fiscal Year-End

The following table discloses information regarding stock options, stock that has not vested and equity incentive plan awards for each Named Executive Officer outstanding as of December 31, 2018.

Name	Grant Date	Option Awards		Price <sup>2</sup>	Option Date	Stock Awards		
		Number of Shares	Underlying Unexercised Options (#)			Equity Incentive Plan Awards: Market or Payout	Equity Incentive Plan Awards: Unearned Value	
		Exercisable	Unexercisable <sup>1</sup>		Exercise	Expiration	Not Vested <sup>3</sup>	Not Vested <sup>3</sup>
Steven M. Klosk	10/21/15	37,500	12,500	\$41.3550	10/21/22	-	\$ -	
	10/26/16	25,000	25,000	\$40.6500	10/26/23	25,000	\$ 944,000	
	10/30/17	9,500	28,500	\$45.6400	10/30/24	19,500	\$ 736,320	
	10/24/18	-	30,000	\$53.6050	10/24/25	21,000	\$ 792,960	
Shawn P. Cavanagh	10/22/14	10,000	-	\$17.8100	10/22/21	-	\$ -	
	10/21/15	8,750	8,750	\$41.3550	10/21/22	-	\$ -	
	10/26/16	8,750	17,500	\$40.6500	10/26/23	17,500	\$ 660,800	
	10/30/17	7,500	22,500	\$45.6400	10/30/24	17,000	\$ 641,920	
	10/24/18	-	25,000	\$53.6050	10/24/25	18,500	\$ 698,560	

Edgar Filing: CAMBREX CORP - Form DEF 14A

Gregory P. Sargen	10/22/14	7,500	-	\$ 17.8100	10/22/21	-	\$ -
	10/21/15	7,500	7,500	\$ 41.3550	10/21/22	-	\$ -
	10/26/16	7,500	15,000	\$ 40.6500	10/26/23	15,000	\$ 566,400
	10/30/17	6,250	18,750	\$ 45.6400	10/30/24	13,500	\$ 509,760
	10/24/18	-	20,000	\$ 53.6050	10/24/25	15,000	\$ 566,400
Samantha M. Hanley	10/22/14	2,500	-	\$ 17.8100	10/22/21	-	\$ -
	01/28/15	-	3,750	\$ 22.4950	01/28/22	-	\$ -
	10/21/15	6,250	6,250	\$ 41.3550	10/21/22	-	\$ -
	10/26/16	6,250	12,500	\$ 40.6500	10/26/23	-	\$ -
	10/30/17	5,000	15,000	\$ 45.6400	10/30/24	-	\$ -
	10/24/18	-	20,000	\$ 53.6050	10/24/25	-	\$ -
Tom Vadaketh	-	-	-	\$ -	-	-	\$ -
	-	-	-	\$ -	-	-	\$ -

<sup>1</sup> All stock options vest in four equal annual installments beginning on the first anniversary of the grant date (i.e., 25% per year), subject to the Named Executive Officer's continued employment with us through the applicable vesting date.

<sup>2</sup> The exercise price of option awards is calculated as an average of the high and low trading price of the Company's Common Stock on the date that the Compensation Committee approved the

grant.

<sup>3</sup> Market value, and the number of shares in the preceding column, assumes achievement of the performance criteria applicable to the PSUs at target level. The value is determined using the closing price of the Company's Common Stock on December 31, 2018 (\$37.76). For the PSUs granted on October 24, 2018, Messrs. Klosk, Cavanagh, and Sargen can receive a maximum award of up to 42,000, 37,000, and 30,000 shares, respectively, dependent on the Company's level of revenue and EBITDA growth over a three-year period beginning October 1, 2018, as compared to an index of peer companies. If

performance is at the median of the peer group, Messrs. Klosk, Cavanagh, and Sargen will receive 21,000, 18,500, and 15,000 shares, respectively. If performance is below the minimum threshold, there will be no award. For the PSUs granted on October 30, 2017, Messrs. Klosk, Cavanagh and Sargen can receive a maximum award of up to 39,000, 34,000 and 27,000 shares, respectively, dependent on the Company's level of revenue and EBITDA growth over a three year period beginning October 1, 2017 respectively, as compared to an index of peer companies. If performance is at the median of the peer group, Messrs. Klosk, Cavanagh and Sargen will receive 19,500, 17,000 and 13,500 shares,

respectively. If performance is below the minimum threshold, there will be no award. For the PSUs granted on October 26, 2016, Messrs. Klosk, Cavanagh and Sargen can receive a maximum award of up to 50,000, 35,000 and 30,000 shares, respectively, dependent on the Company's level of revenue and EBITDA growth over a three-year period beginning October 1, 2016, as compared to an index of peer companies. If performance is at the median of the peer group, Messrs. Klosk, Cavanagh and Sargen will receive 25,000, 17,500 and 15,000 shares, respectively. If performance is below the minimum threshold, there will be no award. The "Long Term Incentive

Awards" section within the Compensation Discussion and Analysis section of this document includes further explanation of PSUs.

Option Exercises and Stock Vested in 2018

The following table discloses each exercise of stock options, and each vesting of PSUs during fiscal year 2018 for each Named Executive Officer.

Name	Option Awards		Stock Awards	
	Number of Shares	Value Realized	Number of Shares	Value Realized
	on Exercise	on Exercise	on Vesting	on Vesting
	(#)	(\$) <sup>1</sup>	(#) <sup>2</sup>	(\$) <sup>3</sup>
Steven M. Klosk	240,000	\$9,759,037	20,000	\$1,362,750
Shawn P. Cavanagh	46,250	\$1,461,605	14,000	\$953,925
Gregory P. Sargen	37,500	\$670,271	12,000	\$817,650
Samantha M. Hanley	27,500	\$780,412	-	\$—
Tom Vadaketh	9,510	\$88,131	-	\$—

<sup>1</sup> Value based upon the market value of a share of the Company's Common Stock at the time the stock options were exercised, less the applicable



per share  
exercise  
price.

<sup>2</sup> For  
Messrs.  
Klosk,  
Cavanagh  
and Sargen,  
includes  
20,000,  
14,000 and  
12,000  
shares,  
respectively,  
that vested  
on  
September  
30, 2018.

<sup>3</sup> Value  
shown in  
table above  
is based on  
the average  
of the high  
and low  
trading  
price of the  
Company's  
Common  
Stock on  
the day the  
awards  
vested, i.e.,  
September  
30, 2018.

## Pension Benefits

The following table shows the pension benefits of the Named Executive Officers.

Name	Plan Name	Number	Present	Payments
		of		
		Years of	Value of	During
		Credited	Accumulated	Last
		Service	Benefits (\$) <sup>1</sup>	Fiscal
		(#)		Year (\$) <sup>2</sup>
Steven M. Klosk	The Qualified Plan	15	\$ 427,505	\$ —
	SERP	15	\$ —	\$ 55,566
Shawn P. Cavanagh <sup>3</sup>	The Qualified Plan	8	\$ 150,696	\$ —
	SERP	—	\$ —	\$ —
Gregory P. Sargen <sup>4</sup>	The Qualified Plan	—	\$ —	\$ —
	SERP	—	\$ —	\$ —
Samantha M. Hanley <sup>4</sup>	The Qualified Plan	—	\$ —	\$ —
	SERP	—	\$ —	\$ —
Tom Vadaketh <sup>4</sup>	The Qualified Plan	—	\$ —	\$ —
	SERP	—	\$ —	\$ —

<sup>1</sup> Accrued benefit payments for The Qualified Plan are in the form of a single life annuity as of age 65 (Normal Retirement). Assumptions used to calculate Present Value: 4.20% discount rate and RP-2014 healthy annuitant mortality table

de-trended to 2006 with generational projection using Scale MP-2018.

<sup>2</sup> In accordance with the terms of the SERP, Mr. Klosk received the tenth of 10 equal annual installments of his entire account balance under the SERP in January 2018.

<sup>3</sup> Mr. Cavanagh participates in The Qualified Plan, but does not participate in the SERP.

<sup>4</sup> Mr. Sargen, Ms. Hanley and Mr. Vadaketh do not participate in the Qualified Plan or the SERP.

Qualified Plan: Normal retirement age occurs upon the later of the participant reaching age 65 or the fifth anniversary of the date on which a participant commences participation in the plan. The annual benefit is equal to 1% of the participant's annual pay during each year of participation plus 0.6% of the amount of the participant's annual pay above the Social Security wage base for each year. For this purpose, Social Security covered compensation is the 35-year average of the Social Security wage base ending with the year in which the participant reaches age 65. A participant's total benefit under the Qualified Plan is equal to the sum of his or her annual benefit for each year of service, subject to the limitations imposed by the Code. Early retirement is permitted upon the participant's attainment of at least age 55 and 10 years of eligible service, but, if the participant elects early retirement, the benefit under the Qualified Plan is reduced by 6% for each year the retiree is below age 65. Benefits under this plan were frozen as of August 2007.

SERP: The benefit formula under the SERP is the same as the formula under the Qualified Plan but applies only to amounts of compensation received in excess of the amount that can be taken into consideration for purposes of the Qualified Plan under the Code. Benefits under the SERP were also frozen as of August 2007. In July 2008, the Compensation Committee amended the SERP effective January 1, 2009, to pay out accrued pension values immediately if the lump sum value was under \$10,000 or, if the value was over \$10,000, in 10 equal annual installments, beginning in January 2009. The final payments under the SERP were made in January 2018.

#### Potential Payments Upon Termination or Change of Control

##### Severance Arrangements

Pursuant to a letter agreement entered into in connection with the commencement of his employment, in the event that Mr. Sargen's employment is terminated involuntarily other than for Cause, or if he should voluntarily terminate his employment for Good Reason, he will be entitled to receive severance payments equal to his monthly base salary plus continuation of medical benefits for a period of up to nine months or until he secures other comparable employment, whichever occurs sooner.

Pursuant to a letter agreement entered into in connection with the commencement of Mr. Cavanagh's employment, in the event that his employment is terminated involuntarily other than for Cause, he will be entitled to receive severance payments equal to his monthly base salary for a period of up to twelve months or until he secures other comparable employment, whichever occurs sooner.

For the purposes of Mr. Cavanagh's letter agreement, "Cause" is defined in the same manner as under his change of control employment agreement (as described below). For purposes of Mr. Sargen's letter agreement, "Cause" is defined as misconduct, fraud, gross negligence or insubordination, and "Good Reason" is defined as (i) relocation of the principal place at which Mr. Sargen's job duties are to be performed to a location more than 35 miles from his current office location, or (ii) a substantial reduction in the responsibilities, authorities or functions from those which were assigned to Mr. Sargen on his date of hire, or (iii) a substantial reduction in Mr. Sargen's base salary or benefits which is not part of a general reduction of substantially all of the like officers' compensation.

During his employment with us in 2018, Mr. Vadaketh was subject to a letter agreement in substantially the same form as Mr. Cavanagh's, which terminated without payment due thereunder upon the effective date of his resignation.

#### Change of Control Employment Agreements

The Company entered into change of control employment agreements with Mr. Sargen in February 2007 and Mr. Cavanagh in January 2011, each of which only take effect upon a change in control. These employment agreements were entered into to preserve management stability in the event of a threatened or actual change of control of the Company.

These employment agreements become effective upon a "change of control" of the Company or certain events that precede a later change in control (the "Effective Date"). For this purpose, "change of control" is defined as: (i) the acquisition by one person or a group of persons of 15% or more of the Company's outstanding Common Stock or combined voting power; (ii) a change in a majority of the incumbent Board unless approved by the incumbent Board; (iii) approval by the stockholders of a transaction which results in the stockholders of the Company immediately before the transaction not owning at least 50% of the Company's Common Stock following the transaction, or a liquidation or dissolution of the Company; (iv) the sale of all or substantially all of the assets of the Company; or (v) any other event or series of events determined by the Board to constitute a change of control.

Following a change of control, the Company has agreed to employ Mr. Sargen and Mr. Cavanagh for a period of two years from the Effective Date (the "Employment Period") in a commensurate position at a location not more than 35 miles in the case of Mr. Sargen, or 50 miles in the case of Mr. Cavanagh, from the location of his employment at the time of the change of control, in each case, at a monthly base salary equivalent to the employee's highest monthly base salary in the 12 months preceding the change of control. Mr. Sargen and Mr. Cavanagh would each be eligible to receive an annual bonus on the same basis as any bonus paid in the fiscal year immediately preceding the change of control. During the Employment Period, the employee may be terminated for "Cause," which is defined as: (i) personal dishonesty or breach of fiduciary duty involving personal profit; (ii) the commission of a criminal act related to the performance of duties, or the disclosure of confidential information of the Company to a competitor, potential competitor or third party whose interests are adverse to those of the Company; (iii) habitual intoxication by alcohol or drugs during working hours; or (iv) conviction of a felony.

During the Employment Period, Mr. Sargen and Mr. Cavanagh may each terminate his employment for "Good Reason," which is defined as: (i) an office relocation of more than 35 miles in the case of Mr. Sargen, or 50 miles in the case of Mr. Cavanagh; (ii) a substantial reduction in base salary, benefits or perquisites; (iii) a substantial reduction in the responsibilities, authorities or functions of the executive from those he had during the 90-day period preceding the Effective Date; (iv) a substantial change in the work conditions of the executive from such conditions during the

90-day period preceding the Effective Date; or (v) failure to require a successor to assume the Company's obligations under the agreement. In addition, under Mr. Sargen's agreement, any voluntary termination of Mr. Sargen's employment by him during the 30-day period immediately following the first anniversary of the Effective Date is deemed to be "Good Reason."

If Mr. Sargen's or Mr. Cavanagh's employment is terminated other than due to death, disability or by the Company for Cause, or the Named Executive Officer terminates his employment for Good Reason, the Company must pay to the employee a lump sum in cash within 30 days of the covered employee's date of termination of the following amount: (i) to the extent not theretofore paid, the covered employee's base salary, which shall be deemed to equal the higher of the rate in effect on the date of termination or the highest rate in effect during the 90-day period preceding the Effective Date (the "Highest Base Salary"), through termination date; (ii) the product of the highest annual bonus earned by the covered employee during the two fiscal years immediately preceding the date of termination, and a fraction, the numerator of which is the number of days in the current fiscal year through the date of termination and the denominator of which is 365; (iii) the product of a fraction, the numerator of which is 24 minus the number of whole months the covered employee has been employed following the first anniversary of the Effective Date and the denominator of which is 12, multiplied by the employee's Highest Base Salary; (iv) the product of a fraction, the numerator of which is 24 less the number of months the covered employee has been employed following the first anniversary of the Effective Date and the denominator of which is 12, multiplied by the highest annual bonus earned by the employee during the prior two years (or, until an annual bonus has been earned, his target bonus); and (v) all previously deferred compensation plus any interest thereon and any accrued but unused vacation. In addition, following a qualifying termination, the Company will continue all benefits to the affected covered employee and his family for the balance of the Employment Period (or for such longer period as an applicable plan, program, practice or policy may provide), and all outstanding equity awards will vest and become exercisable upon such termination.

The change of control employment agreements also contain non-competition and non-disclosure of confidential information restrictions. These non-competition restrictions apply during the covered executive's employment through the first anniversary of his date of termination. Further, with respect to Mr. Sargen, the change of control employment agreement also provides for a gross-up of any taxes due under Section 4999 of the Code in connection with payments made under his change of control employment agreement or otherwise. Mr. Cavanagh's change of control employment agreement provides that if any payments to him under his change in control employment agreement or otherwise would be subject to Section 4999 of the Code, those payments will be reduced to the extent necessary so that no portion thereof shall be subject to the excise tax imposed by that section. In the event that any lump sum cash payment payable to Mr. Sargen or Mr. Cavanagh is required to be deferred in order to avoid adverse consequences under section 409A of the Code, such payments will accrue interest at the rate of prime plus 1%.

During his employment with us in 2018, Mr. Vadaketh was subject to a change in control employment agreement in substantially the same form as Mr. Cavanagh's, which terminated without payment due thereunder upon the effective date of his resignation.

#### Long-Term Incentive Awards

Long-term incentive awards granted to our Named Executive Officers will vest in whole (in the case of stock options) or in part (in the case of PSUs) upon a change of control, as described in the notes to the tables below. Additionally, as reflected in the tables below, equity awards may vest upon a termination of a Named Executive Officer's employment under specified circumstances.

Potential Payments Upon Termination or Change of Control

On December 31, 2018

All estimates below assume a qualifying termination and/or change of control on December 31, 2018, the last business day of our 2018 fiscal year.

Steven M. Klosk<sup>1</sup>

	Involuntary Termination	Change of Control without Termination	Termination After Change of Control
Payments & Benefits	Not for Cause	of Employment	of Control
Stock Options <sup>2</sup>	\$ —	\$ —	\$ —
PSU Awards <sup>3</sup>	\$ 1,016,205	\$ 1,016,205	\$ 1,016,205
Total	\$ 1,016,205	\$ 1,016,205	\$ 1,016,205

<sup>1</sup> Mr. Klosk is not a party to an employment agreement or change of control agreement with the Company.

<sup>2</sup> All of Mr. Klosk's stock options that would vest in full upon the occurrence of a change of control were underwater on December 31, 2018 based on the closing price of the Company's Common Stock on December 31, 2018 (\$37.76).

<sup>3</sup> If there is a change of control, or if Mr. Klosk's employment is terminated other than for Cause (as defined in the PSU award) or due to his death or disability, performance under Mr. Klosk's PSUs would be measured as of the end of the four-quarter period ending immediately prior to such change in control or termination (or would be deemed earned at 100% if there is not sufficient information to perform the necessary performance calculations of performance), and he would be entitled to pro-rated vesting based on the time elapsed during the period. The amount of this payment is calculated based on the amount of shares expected to vest, 25,000 shares for the October 26, 2016 grant, 15,600 shares for the October 30, 2017 grant and 21,000 shares for the October 24, 2018 grant, based on the closing price of the Company's Common Stock on December 31, 2018 (\$37.76).

Shawn P. Cavanagh

Payments & Benefits	Involuntary Termination	Termination After Change of Control	Change of Control without Termination
---------------------	----------------------------	--	--



			of Employment
Cash Severance	\$ 600,000	\$ 3,200,000	\$ —
Pro Rata Bonus	\$ —	\$ 1,000,000	\$ —
Stock Options <sup>1</sup>	\$ —	\$ -	\$ —
PSU Awards <sup>2</sup>	\$ 765,262	\$ 765,262	\$ 765,262
Health Care Benefits	\$ —	\$ 36,730	\$ —
Savings Plan Benefits	\$ —	\$ 24,750	\$ —
Life Insurance	\$ —	\$ 2,719	\$ —
Total	1,365,262	\$ 5,029,461	\$ 765,262

<sup>1</sup> All of Mr. Cavanagh's stock options that would vest in full upon the occurrence of a change of control were underwater on December 31, 2018 based on the closing price of the Company's Common Stock on December 31, 2018 (\$37.76).

<sup>2</sup> If there is a change of control, or if Mr. Cavanagh's employment is terminated other than for Cause (as defined in the PSU award) or due to his death or disability, performance under Mr. Cavanagh's PSUs would be measured as of the end of the four-quarter period ending immediately prior to such change in control or termination (or would be deemed earned at 100% if there is not sufficient information to perform the necessary calculations of performance), and he would be entitled to pro-rated vesting based on the portion of the number of days that have elapsed during the performance period. The amount of this payment is calculated based on the amount of shares expected to vest, 17,500 shares for the October 26, 2016 grant, 13,600 shares for the October 30, 2017 grant and 18,500 shares for the October 24, 2018 grant, based on the closing price of the Company's Common Stock on December 31, 2018 (\$37.76).

Gregory P. Sargen<sup>1</sup>

	Involuntary Termination	Voluntary Termination For Good Reason	Termination After Change of Control	Change of Control without Termination of Employment
Payments & Benefits	Not for Cause	Reason	of Control	of Employment
Cash Severance	\$ 375,000	\$ 375,000	\$ 3,332,094	\$ —
Pro Rata Bonus	\$ —	\$ —	\$ 1,166,047	\$ —
Stock Options <sup>2</sup>	\$ —	\$ —	\$ —	\$ —
PSU Awards <sup>3</sup>	\$ 639,815	\$ —	\$ 639,815	\$ 639,815
Health Care Benefits	\$ 16,880	\$ 16,880	\$ 36,730	\$ —
Savings Plan Benefits	\$ —	\$ —	\$ 24,750	\$ —
Life Insurance Proceeds/Disability Benefits	\$ —	\$ —	\$ 3,022	\$ —
Total	1,031,695	391,880	\$ 5,202,458	\$ 639,815

<sup>1</sup> Estimates assume that Mr. Sargen's employment is terminated on December 31, 2018, and that he is entitled to a 12 month pro rata bonus, which otherwise would not be earned until paid. Mr. Sargen's change of control employment agreement provides for a gross-up of any taxes due under Section

4999 of the Code in connection with payments made under his change of control employment agreement or otherwise. However, under the assumptions set forth herein Mr. Sargen would not be subject to tax under Section 4999 in connection with a change in control and therefore no gross up amount is reflected in this table.

<sup>2</sup> All of Mr. Sargen's stock options that would vest in full upon the occurrence of a change of control were underwater on December 31, 2018 based on the closing price of the Company's Common Stock on December 31, 2018 (\$37.76).

<sup>3</sup> If there is a change of control, or if Mr. Sargen's

employment is terminated other than for Cause (as defined in the PSU award) or due to his death or disability, performance under Mr. Sargen's PSUs would be measured as of the end of the four-quarter period ending immediately prior to such change in control or termination (or would be deemed earned at 100% if there is not sufficient information to perform the necessary calculations of performance), and he would be entitled to pro-rated vesting based on the portion of the number of days that have elapsed during the performance period. The amount of this payment is calculated based on the amount of shares

expected to vest, 15,000 shares for the October 26, 2016 grant, 10,800 shares for the October 30, 2017 grant and 15,000 shares for the October 24, 2018 grant, based on the closing price of the Company's Common Stock on December 31, 2018 (\$37.76).

Samantha M. Hanley

	Involuntary Termination	Change of Control without Termination
Payments & Benefits Not for Cause <sup>1</sup>		of Employment
Cash Severance	\$ —	\$ —
Stock Options <sup>1</sup>	\$ —	\$ 57,244
<b>Total</b>	<b>—</b>	<b>57,244</b>

<sup>1</sup>All of Ms. Hanley's stock options would vest in full upon the occurrence of a change of control. The present value

of each  
unvested  
stock option  
is calculated  
using the  
closing price  
of the  
Company's  
Common  
Stock on  
December  
31, 2018  
(\$37.76) less  
the  
applicable  
per share  
exercise  
price.

Tom Vadaketh

Mr. Vadaketh resigned effective September 4, 2018 and did not receive any severance or similar payments in connection with the termination of his employment with the Company.

### CEO Pay Ratio

As required by law, below we provide a reasonable estimate of the ratio of the total compensation of our Chief Executive Officer to the total compensation of our median employee for 2018. Due to permitted variations in methodology and other factors, the Company's pay ratio is not directly comparable to the pay ratios of other companies, including other companies within our industry. We have not taken the ratio into account in making compensation decisions. We identified the median employee by ranking all employees (excluding the CEO, Mr. Klosk) as of December 31, 2017, by total taxable wages paid by the Company, as applicable for each jurisdiction in which we have employees, and selecting the median. For the employees in our non-U.S. locations, the relevant year-to-date average exchange rate as of December 31, 2017, was used to convert local currency into U.S. dollars. In accordance with applicable SEC rules, the Company has determined there has been no change in our employee population or employee compensation arrangements during the last completed fiscal year that would significantly impact the CEO Pay Ratio for 2018. Therefore, we used the same median employee we identified in 2017 for purposes of calculating our CEO Pay Ratio for 2018. Furthermore, as permitted under applicable SEC rules, the Company has omitted any employees that became its employees as the result of the Halo Pharmaceuticals acquisition during the 2018 fiscal year; the total number of employees omitted is approximately 250. The 2018 annual total compensation of the median employee was \$57,831.32, the 2018 annual total compensation of our Chief Executive Officer, as reported in the Summary Compensation Table, was \$4,006,117, and the ratio of Mr. Klosk's 2018 total annual compensation to that of our median employee was 70 to 1.

### DIRECTOR COMPENSATION

Name	Fees			Total	Options Granted in 2018
	Earned or Paid in Cash	Stock Awards (1)	Option Awards (2)		
Gregory B. Brown	\$80,000	\$75,000	\$50,000	\$205,000	1,980
Claes Glassell	\$78,500	\$75,000	\$50,000	\$203,500	1,980
Louis Grabowsky	\$87,250	\$75,000	\$50,000	\$212,250	1,980
Bernhard Hampl	\$74,000	\$75,000	\$50,000	\$199,000	1,980
Kathryn R. Harrigan	\$85,000	\$75,000	\$50,000	\$210,000	1,980
Ilan Kaufthal	\$93,000	\$75,000	\$50,000	\$218,000	2,385
Shlomo Yanai	\$275,000	\$75,000	\$50,000	\$400,000	1,980

(1) Each non-employee director was awarded 1,397 restricted stock units on April 26, 2018. The value of each director's restricted stock unit award is calculated in accordance with FASB ASC Topic 718, using as the value of a

share of the Company's Common Stock the average of the highest and lowest trading price of the Company's Common Stock as reported on the NYSE on the date of the award (\$53.70 per share with respect to all directors). As of December 31, 2018, none of our non-employee directors held any unvested stock awards.

(2) The amount shown in the "Option Awards" column above reflects the grant date fair value of stock options awarded to our non-employee directors in 2018, calculated in accordance with FASB ASC Topic 718. The assumptions for the valuation are set forth in Note 17 of the Company's financial statements included in the Form 10-K filed with the SEC on February 13, 2019, except that for this purpose each option's expected life, which is one of the factors used in the Black-Scholes model, varies based on the director's age and anticipated retirement date under our non-employee director retirement policy. As of December 31, 2018, our non-employee directors held the following number of stock options: Mr. Glassell 5,170 stock options; Mr. Grabowsky 5,353 stock options; Dr. Hampl: 3,873 stock options; Dr. Harrigan 17,544 stock options; Mr. Kaufthal 18,053 stock options; and Mr. Yanai 17,544 stock options.



Directors are paid in accordance with the Company's non-employee director compensation program. Each year, the Governance Committee reviews the Company's non-employee director compensation program to determine whether it is offering a competitive compensation package that will allow it to recruit and retain talented directors, including a review of peer group data (using the same peer group used for executives) as well as market and industry trends. In response to that comparative analysis, the Governance Committee recommended and the Board of Directors approved an increase in the Company's non-employee director compensation program in late 2017, which became effective January 1, 2018, and directors were paid as follows: the compensation for non-employee directors consisted of an annual retainer of \$55,000, the Chairperson of the Audit Committee received a further annual retainer of \$25,000 (prorated for time served as Chairperson), the Chairperson of the Compensation Committee received a further annual retainer of 20,000, and the Chairperson of the Regulatory Affairs Committee received a further annual retainer of \$15,000 (prorated for time served as Chairperson. In addition, each non-employee director of the Company except the Non-Executive Chairperson received (i) \$2,500 for each in-person Board meeting he or she attended exceeding 6 annual meetings (including the annual meeting of shareholders), (ii) \$1,500 for each in-person Committee meeting he or she attended, (iii) \$1,500 for each telephonic Board meeting that he or she attended in excess of 6 meetings annually (including the annual meeting of shareholders), and (iv) \$1,000 for each telephonic Committee meeting that he or she attended. Directors also receive reimbursement for expenses incurred in connection with meeting attendance. Employees of the Company who are also directors did not receive any separate fees for acting as directors.

In January 2018, the Governance Committee also reviewed Mr. Yanai's compensation, and in light of peer group data and market and industry trends, increased his annual cash retainer to \$275,000 for his service as Non-Executive Chairperson of the Board. Mr. Yanai did not receive any separate Board or Committee meeting cash fees during 2018, nor did he receive any further annual retainer for his service as Chairperson of the Governance Committee or as a member of the Compensation Committee.

Members of the Board also participate in the Directors' Equity Program whereby on the day of the annual meeting of the Company's shareholders, each non-employee director receives an annual award of restricted stock units under the 2012 Equity Incentive Plan for Non-Employee Directors. For 2018, the value of this award was \$75,000 (determined by dividing \$75,000 by the average of the highest and lowest trading prices of the Company's stock as reported on the NYSE on the date of the award). Such restricted stock units do not vest until the date that is six months following the date of grant.

In addition, each non-employee director is awarded an option to purchase a specific number of shares of the Company's Common Stock under the 2012 Equity Incentive Plan for Non-Employee Directors. The number of shares awarded to each non-employee director is based on the value of the option, which is estimated on the date of the grant using the Black-Scholes option-pricing model. The value of this award was \$50,000 for 2018. The number of shares awarded varies from director to director due to different assumptions used in the Black-Scholes model for each director. The expected life assumption in the model varies for each director based on the director's age and retirement date under our non-employee director retirement policy.

The amount of cash retainer, meeting fees, Chairperson fees, restricted stock unit and option awards for each non-employee Board member earned during fiscal year 2018 are summarized in the table above.

#### Director Stock Ownership Guidelines

Under the Company's stock ownership policy for directors, directors are expected to acquire and hold Company stock equal in value to at least three times the annual retainer for directors, by the later of January 27, 2014, or three years from a director's election to the Board. The Company believes that this ownership policy further aligns director and stockholder interests and thereby promotes the objective of increasing stockholder value. Each of our non-employee directors (other than Mr. Glassell, Dr. Hampl, and Dr. Brown who joined the Board on March 14, 2016, October 27,

2016, and October 31, 2017, respectively, and are each within the applicable three-year transition period) are in compliance with the director stock ownership guideline.

34

---

PROPOSAL NO. 2

ADVISORY NON-BINDING VOTE ON THE COMPENSATION

OF THE NAMED EXECUTIVE OFFICERS

Stockholders have an opportunity to cast an advisory, non-binding vote on the compensation paid to our Named Executive Officers, as disclosed in this Proxy Statement. This proposal, commonly known as a “Say on Pay” proposal, is currently conducted at each annual stockholders meeting and ~~gives stockholders the opportunity to either approve, reject or abstain from voting with respect to such compensation.~~

As discussed in the “Compensation Discussion and Analysis” section of this Proxy Statement, the primary objectives of our executive compensation program are to (i) attract and retain qualified executives with the requisite skills and abilities to enable us to achieve our corporate goals and (ii) align the interests of executives with those of stockholders by rewarding executives for the Company’s achievement of its goals and increased stockholder value. While we believe that the Compensation Committee is in the best position to determine whether the Company’s executive compensation program is appropriately tailored to meet these objectives, we appreciate and value our stockholders’ views. Your advisory, non-binding vote will serve as an additional tool for the Compensation Committee in assessing the Company’s executive compensation program.

The Board recommends a vote in favor of the following resolution:

“RESOLVED, that the compensation paid to the Company’s Named Executive Officers for fiscal 2018, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.”

Because the vote on this proposal is advisory in nature, it will not affect any compensation already paid or awarded to any Named Executive Officer and will not be binding on or overrule any decisions of the Company, the Board or the Compensation Committee; it will not create or imply any change to the fiduciary duties of, or create or imply any additional fiduciary duties for, the Company, the Board or the Compensation Committee; and it will not restrict or limit the ability of stockholders to make proposals for inclusion in proxy materials related to executive compensation. Consistent with our commitment to high standards of corporate governance, the Compensation Committee intends to take into account the outcome of the vote when considering future compensation arrangements for our Named Executive Officers.

In addition, because this proposal is advisory and non-binding, there is no required vote that would constitute approval at the Annual Meeting. Abstentions and broker non-votes will have no effect on this vote.

The Board recommends a vote “FOR” approval on an advisory, non-binding basis

of the compensation of the Company’s Named Executive Officers as

disclosed in this Proxy Statement.

## PROPOSAL 3

## RATIFICATION OF APPOINTMENT OF AUDITORS

The Board, in accordance with the recommendation of the Audit Committee, has selected BDO to be the Company's independent registered public accountants for 2019, subject to the ratification of the stockholders.

A representative of BDO is expected to be present at the Annual Meeting, will be afforded an opportunity to make a statement if such representative desires to do so and is expected to be available to respond to appropriate questions.

This proposal requires the affirmative vote of holders of a majority of the votes cast at the Annual Meeting. Abstentions and broker non-votes will have no effect on this vote.

The Board recommends a vote "FOR" the ratification of appointment of auditors

## PRINCIPAL ACCOUNTING FIRM FEES

The following table sets forth the aggregate fees billed to Cambrex for each of the fiscal years ended December 31, 2018 and December 31, 2017, by the Company's independent registered public accounting firm, BDO, for Audit and Audit-Related Fees:

	BDO Fees	BDO Fees
	December 31,	December 31,
	2018	2017
Audit Fees	\$ 1,538,137	\$ 1,362,186
Audit-Related Fees	29,823	29,619
Totals	\$ 1,567,960	\$ 1,391,805

## AUDIT FEES

Aggregate audit fees billed for professional services rendered by BDO in connection with its audit of the Company's financial statements were \$1,567,960 for the 2018 fiscal year and \$1,391,805 for the 2017 fiscal year. Such fees also include BDO's internal control review, quarterly reviews and statutory audits and attestations required pursuant to the Sarbanes-Oxley Act and the securities regulations. There were no tax or other services performed by BDO in either 2018 or 2017.

## AUDIT-RELATED FEES

Aggregate audit-related fees billed for professional services rendered by BDO, in accordance with agreed upon procedures, in connection with assurance and related services reasonably related to the audit and review of the Company's financial statements were \$8,950 and \$8,800 each year for the 2018 and 2017 fiscal years. Fiscal years 2018 and 2017 also included \$20,873 and \$20,819, respectively, for audits of the Company's employee benefit plans.

Audit Committee Pre-Approval Policy

Under the Audit Committee's policy for pre-approval of all audit and permissible non-audit services performed by the independent registered public accountants (the "Policy"), the Audit Committee will approve the following Audit and Audit-Related Services prior to each engagement, along with a fee amount: (i) domestic quarterly reviews and the annual financial statement audit; (ii) statutory or financial audits for international subsidiaries or affiliates of the Company; (iii) the attestation engagement for the independent registered public accountants' report on management's assertion on internal controls for financial reporting; (iv) financial audits of employee benefit plans; and (v) due diligence services pertaining to potential business acquisitions and dispositions. On an annual basis, the Audit Committee will pre-approve a blanket amount to authorize the following Audit and Audit-Related Services: (i) consultations related to accounting, financial reporting or disclosure matters; (ii) assistance with understanding and implementing new accounting and financial reporting guidance; and (iii)

assistance with internal control reporting requirements and also Permissible Non-Audit Services, including tax services. Further, management will provide a quarterly update to the Audit Committee detailing actual spending by quarter and year-to-date for any services rendered under such pre-approval. Under the Policy, the Audit Committee has delegated pre-approval authority to the Audit Committee Chairperson for permissible services and fees up to a maximum of \$25,000. The Audit Committee Chairperson will report to the entire Audit Committee any services and fees approved pursuant to such delegation of authority.

During fiscal years 2018 and 2017, all services rendered were approved pursuant to the Policy. Further, during fiscal years 2018 and 2017, there were no services performed or fees incurred by BDO where pre-approval was waived pursuant to the statutory de minimis exception.

The Audit Committee has reviewed the billings by BDO and has determined that they do not affect the auditor's independence.

#### STOCKHOLDER PROPOSALS FOR 2020

To be eligible for inclusion in the Company's Proxy Statement for the 2020 Annual Meeting, stockholder proposals must be received by the Company's Corporate Secretary no later than the close of business on November 13, 2019. Proposals must satisfy certain eligibility requirements established by the SEC.

Under the Company's by-laws, any stockholder wishing to present a nomination for the office of director before the 2020 Annual Meeting for a vote or to bring a proposal or other business before the 2020 Annual Meeting for a vote must give the Company not less than 60 days (anticipated to be February 24, 2020) nor more than 90 days (anticipated to be January 25, 2020) advance notice prior to the anniversary date of the 2019 Annual Meeting. Any such notices must meet certain other requirements as stated in the Company's bylaws. Any stockholder interested in making such a nomination or proposal should request a copy of such bylaw provisions from the Corporate Secretary of Cambrex Corporation. If the Company does not receive notice of a stockholders proposal within this time frame, the individuals named in the proxies solicited by the Board for that meeting may exercise discretionary voting power with respect to that proposal.

#### MULTIPLE STOCKHOLDERS WITH THE SAME ADDRESS

We have adopted a procedure called "householding," which has been approved by the SEC. Under this procedure, we are delivering only one copy of the Notice of Internet Availability of Proxy Materials, or the proxy statement and annual report, as applicable, to multiple stockholders who share the same address and have the same last name, unless we have received contrary instructions from an affected stockholder. This procedure reduces our printing costs, mailing costs and fees.

We will deliver promptly upon written or oral request a separate copy of the Notice of Internet Availability of Proxy Materials, or the proxy statement and annual report, as applicable, to any stockholder at a shared address to which a single copy of these materials were delivered. To receive a separate copy of these materials, you may contact Investor Relations at 201-804-3000.

If you are a holder of our Common Stock as of the record date and would like to revoke your householding consent and receive a separate copy of the Notice of Internet Availability of Proxy Materials, or proxy statement and the annual report, in the future, please contact your bank, broker or other holder of record. You will be removed from the householding program within 30 days of receipt of the revocation of your consent.

Any stockholders of record sharing the same address and currently receiving multiple copies of Notice of Internet Availability of Proxy Materials, or the annual report and the proxy statement, who wish to receive only one copy of these materials per household in the future, may contact Investor Relations at the number listed above to participate in the householding program

A number of brokerage firms have instituted householding. If you hold your shares in “street name,” please contact your bank, broker or other holder of record to request information about householding.

By Order of the Board of Directors.

Samantha Hanley  
Corporate Secretary

UPON WRITTEN REQUEST, THE COMPANY WILL PROVIDE TO EACH STOCKHOLDER, WITHOUT CHARGE, A COPY OF ITS ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. REQUESTS SHOULD BE DIRECTED TO MS. SAMANTHA HANLEY VICE PRESIDENT, GENERAL COUNSEL AND CORPORATE SECRETARY, CAMBREX CORPORATION, ONE MEADOWLANDS PLAZA, 15<sup>TH</sup> FLOOR, EAST RUTHERFORD, NJ 07073. SUCH REPORT WILL BE FURNISHED WITHOUT EXHIBITS. COPIES OF THE EXHIBITS TO SUCH ANNUAL REPORT WILL BE FURNISHED TO REQUESTING STOCKHOLDERS UPON PAYMENT OF THE COMPANY’S REASONABLE EXPENSES IN FURNISHING THE SAME.

IN ADDITION, THIS PROXY STATEMENT IS AVAILABLE ONLINE AT:

<http://ir.cambrex.com/proxy-materials>



VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com) Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. VOTE BY PHONE - 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. TO VOTE, MARK BLOCKS

BELOW IN BLUE OR BLACK INK AS FOLLOWS: THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY The Board of Directors recommends you vote FOR the following: 1. The Election to the Company's Board of Directors of the eight nominees named in the Proxy Statement.

NomineesForAgainst Abstain 1 Gregory B. Brown ••• The Board of Directors recommends you vote FOR proposals 2 and 3.ForAgainst Abstain 2 Claes Glassell 3 Louis J. Grabowsky 4 Bernhard Hampl 5 Kathryn R. Harrigan 6 Ilan Kaufthal 7 Steven M. Klosk 8 Shlomo Yanai For address change/comments, mark here. ••• ••• ••• •••

• 2 Approve, on a non-binding advisory basis, compensation of the Company's Named Executive Officers as disclosed in the 2019 Proxy Statement. 3 Ratification of the appointment of BDO USA, LLP as the Company's independent registered public accountants for 2019. NOTE: Such other business as may properly come before the meeting or any adjournment thereof. ••• ••• (see reverse for instructions)YesNo Please indicate if you plan to attend this meeting•• Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

---

CAMBREX CORPORATION ONE MEADOWLANDS PLAZA ATTN:ALISA A. WISSE EAST RUTHERFORD, NJ 07073 Signature [PLEASE SIGN WITHIN BOX]Date Signature (Joint Owners) Date Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Form 10-K, Notice & Proxy Statement is/are available at [www.proxyvote.com](http://www.proxyvote.com) CAMBREX CORPORATION Annual Meeting of Shareholders April 24, 2019 1:00 PM This proxy is solicited by the Board of Directors The undersigned stockholder of Cambrex Corporation (the "Company") hereby appoints Steven M. Klosk, Gregory P. Sargen and Samantha M. Hanley, and each of them acting singly and each with power of substitution and re-substitution, attorneys and proxies of the undersigned (the "Proxies"), with all the powers the undersigned would possess if personally present, to vote the shares of Common Stock of the Company which the undersigned is entitled to vote at the 2019 Annual Meeting of Stockholders of the Company to be held on April 24, 2019 at 1:00 p.m. at the Metropolitan Center, One Meadowlands Plaza, East Rutherford, New Jersey and any postponement(s) or adjournment(s) thereof. Directions may be obtained by calling the Company at 201-804-3000. Shares represented by this proxy will be voted by the Proxies as specified on the reverse side hereof. If no directions are indicated, the Proxies will have authority to vote FOR the election of each nominee, FOR proposals 2 and 3. In their discretion, the Proxies are hereby authorized to vote upon such other business as may properly come before the meeting or any postponement(s) or adjournment(s) thereof. Address change/comments: (If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.) Continued and to be signed on reverse side