

CAMBREX CORP  
Form DEF 14A  
March 16, 2012

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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 under Rule 14a-12

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:
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- (4) Proposed maximum aggregate value of transaction:
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(1) Amount previously paid:

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CAMBREX CORPORATION

March 20, 2012

Dear Stockholder,

You are cordially invited to attend the Annual Meeting of Stockholders of Cambrex Corporation. This year's meeting will be held on April 26, 2012, at 1:00 P.M. at the Metropolitan Center, One Meadowlands Plaza, East Rutherford, New Jersey 07073. Your Board of Directors and management look forward to greeting personally those stockholders who are able to attend.

At this year's meeting, you will be asked (1) to elect eight directors; (2) to hold an advisory, non-binding vote on the compensation of executives as disclosed in the Proxy Statement ("Say on Pay Vote"); (3) to consider and act upon the approval of the Amended and Restated Certificate of Incorporation of the Corporation (a) to fix the board size at three to eleven members and (b) to limit the Corporation's mandatory indemnification obligations to cover directors and officers only; (4) to consider and act upon the approval of an Executive Cash Incentive Plan; (5) to consider and act upon the approval of an Equity Incentive Plan for Non-Employee Directors; and (6) to ratify the selection of BDO USA, LLP ("BDO") as the Company's independent registered public accountants for the fiscal year ending December 31, 2012.

Your vote is important. Whether you plan to attend the meeting or not, please complete the enclosed proxy card and return it as promptly as possible. The enclosed proxy card contains instructions regarding voting. 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.

Sincerely,

/s/ John R. Miller  
John R. Miller  
Non-Executive Chairman

CAMBREX CORPORATION  
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD APRIL 26, 2012

Notice Is Hereby Given that the 2012 Annual Meeting of Stockholders of Cambrex Corporation (“Company”) will be held at the Metropolitan Center, One Meadowlands Plaza, East Rutherford, New Jersey 07073 on April 26, 2012, at 1:00 P.M. for the following purposes:

1. To elect eight (8) directors to hold office until the 2013 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 Proxy Statement (“Say on Pay Vote”);
3. To consider and act upon the approval of the Amended and Restated Certificate of Incorporation of the Corporation in substantially the form attached hereto as Exhibit 1 (a) to fix the board size at three to eleven members and (b) to limit the Corporation’s mandatory indemnification obligations to cover directors and officers only;
4. To consider and act upon the approval of an Executive Cash Incentive Plan;
5. To consider and act upon the approval of the 2012 Equity Incentive Plan for Non-Employee Directors;
6. To consider and act upon the ratification of the appointment of BDO as independent registered public accountants for the fiscal year ending December 31, 2012; and
7. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only stockholders of record of Common Stock of the Company at the close of business on March 15, 2012, will be entitled to vote at the 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 William M. Haskel, Senior Vice President, General Counsel and Corporate Secretary, Cambrex Corporation, One Meadowlands Plaza, East Rutherford, New Jersey 07073.

By order of the Board of Directors,

/s/ William M. Haskel  
William M. Haskel,  
Secretary

March 20, 2012

THE VOTE OF EACH STOCKHOLDER IS IMPORTANT.  
PLEASE DATE AND SIGN THE ACCOMPANYING PROXY CARD AND PROMPTLY  
RETURN IT IN THE POSTAGE PAID ENVELOPE PROVIDED.



CAMBREX CORPORATION

2012 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 (“Board”) of Cambrex Corporation (“Cambrex” or the “Company”) for use at the 2012 Annual Meeting of Stockholders to be held on April 26, 2012, and at any adjournment of the 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 mailed to stockholders commencing on or about March 20, 2012.

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 material 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.

VOTING OF PROXY AND REVOCABILITY

Shareholder 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 this Proxy Statement was sent directly to you by the Company. As a record stockholder, there are two ways to vote: (1) in person at the Annual Meeting, where you can present your proxy card or the Company will give you a ballot, or (2) by mail, by filling out the proxy card and sending it back in the envelope provided. Properly executed proxies received by the Company will be voted in accordance with the instructions indicated thereon, and if no instructions are indicated, then the proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this Proxy Statement (and as proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting).

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 this Proxy Statement 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. As a beneficial stockholder, there are four ways to vote: (1) in person at the Annual Meeting, by obtaining a legal proxy from the organization that holds your shares (please contact that organization for instructions regarding obtaining a legal proxy), (2) via the Internet, by visiting [www.proxyvote.com](http://www.proxyvote.com) and entering the control number found on the proxy card, (3) by telephone, by calling the toll free number found on the vote instruction form, and (4) by mail, by filling out the vote instruction form and sending it back in the envelope provided. Properly executed proxies received by the Company will be voted in accordance with the instructions indicated thereon. However, if as a beneficial owner, you do not provide the organization that holds your shares with specific voting instructions, under applicable New York Stock Exchange (“NYSE”) rules, that organization may generally vote on “routine” matters but cannot vote on “non-routine” matters. If that organization does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares may inform the inspector of election that it does not have the authority to vote on this 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, 2012, is a matter considered routine, which means that a broker or other nominee may generally vote on this matter and no broker non-votes are expected to exist in connection with this routine matter. Otherwise, the proposals regarding the election of directors, the advisory non-binding vote on the compensation of Named Executive Officers (“Say on Pay Vote”), the approval of the Amended and Restated Certificate of Incorporation of the Corporation (a and b), the approval of the Corporation’s Executive Cash Incentive Plan and the approval of the 2012 Equity Incentive Plan for Non-Employee Directors 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 these proposals.

You may revoke your proxy and change your vote at any time before the final vote at the Annual Meeting by giving another proxy bearing a later date or by notifying the Company in writing of such revocation or by a vote in person at the Annual Meeting. If you are a beneficial owner you may vote again on a later date via the Internet, by telephone (only your latest Internet or telephone proxy submitted prior to the Annual Meeting will be counted), by signing and returning a new proxy card or vote instruction form with a later date, or by attending the Annual Meeting and voting in person. The execution of a proxy will not affect a stockholder's right to attend the Annual Meeting and vote in person, but attendance at the Annual Meeting will not, by itself, revoke a proxy.

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 of Directors shall propose.

The Board knows of no matters to be presented at the meeting other than those set forth in the foregoing Notice of Annual Meeting. The Proxy Card conveys discretionary authority to vote on any other matter not presently known by management that may properly come before the Annual Meeting. If other matters properly come before the meeting, the persons named in the accompanying form of proxy intend to vote the shares subject to such proxies in accordance with their best judgment.

#### RECORD DATE, QUORUM AND VOTING RIGHTS

The Company has only one class of voting securities, which is the Common Stock, par value \$0.10 ("Common Stock"). Only holders of Common Stock of the Company of record at the close of business on March 15, 2012, will be entitled to vote at the meeting. On such record date there were outstanding and entitled to vote 29,616,079 shares of Common Stock and each such share is entitled to one vote.

The holders of a majority of the shares 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 February 15, 2012, who may be deemed to beneficially own more than 5% of the outstanding Common Stock of the Company:

Name and Address	Number of Shares	
	Beneficially Owned	Percent of Class(1)
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	2,560,335(2)	8.65%
Heartland Advisors, Inc. 789 North Water Street Milwaukee, WI 53202	2,000,000(3)	6.75%

Royce & Associates, LLC 745 Fifth Avenue New York, NY 10151	1,873,584(4)	6.33%
Neuberger Berman Group LLC Neuberger Berman, LLC 605 Third Avenue New York, NY 10158	1,742,996(5)	5.89%

(1) For the purpose of this table, the percent of issued and outstanding shares of Common Stock of the Company held by each beneficial owner has been calculated on the basis of 29,610,079 shares of Common Stock issued and outstanding (excluding treasury shares) on February 15, 2012.

- (2)Based on information as of December 31, 2011, obtained from a Schedule 13G filed with the SEC on February 10, 2012, by BlackRock, Inc. (“BlackRock”). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in BlackRock’s Schedule 13G.
- (3)Based on information as of December 31, 2011, obtained from a Schedule 13G filed with the SEC on February 10, 2012, by Heartland Advisors, Inc. (“Heartland”). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Heartland’s Schedule 13G.
- (4)Based on information as of December 31, 2011, obtained from a Schedule 13G filed with the SEC on January 9, 2012, by Royce & Associates, LLC (“Royce”). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Royce’s Schedule 13G.
- (5)Based on information as of December 31, 2011, obtained from a Schedule 13G filed with the SEC on February 14, 2012, by Neuberger Berman Group LLC and Neuberger Berman, LLC (“Neuberger”). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Neuberger’s 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 on February 15, 2012, by (i) each nominee for election as a 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.

Beneficial Owners	Shares Beneficially Owned(1)	Percent of Class(2)
David R. Bethune	25,116(3)	*
Rosina B. Dixon, M.D.	45,780(4)	*
Kathryn R. Harrigan	44,804(5)	*
Leon J. Hendrix, Jr.	108,162(6)	*
Ilan Kaufthal	150,724(7)	*
Steven M. Klosk	377,237(8)	1.27%
William B. Korb	87,456(9)	*
John R. Miller	31,389(10)	*
Peter G. Tombros	59,186(11)	*
Shawn Cavanagh	18,750(12)	*
Aldo Magnini	56,408(13)	*
Paolo Russolo	139,085(14)	*
Gregory P. Sargen	142,320(15)	*
All Directors and Executive Officers as a Group (14 Persons)	1,286,417(16)	4.35%

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

- (1)Except as otherwise noted, reported share ownership is as of February 15, 2012. 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 Common Stock of the Company held by each beneficial owner has been calculated on the basis of (i) 29,610,079 shares of Common Stock issued and outstanding (excluding treasury shares) on February 15, 2012, and (ii) all shares of Common Stock subject to stock

options which are held by such beneficial owner and are exercisable within 60 days of February 15, 2012.

- (3) The number of shares reported includes 6,000 shares issuable upon exercise of options granted under the Company's 1998 and 2004 stock option plans.
- (4) The number of shares reported includes 6,000 shares issuable upon exercise of options granted under the Company's 1998 and 2001 stock option plans.
- (5) The number of shares reported includes 4,000 shares issuable upon exercise of options granted under the Company's 1998 and 2001 stock option plans.
- (6) The number of shares reported includes 6,000 shares issuable upon exercise of options granted under the Company's 1998, 2001 and 2004 stock option plans and 75,546 share equivalents held at February 15, 2012, in the Company's recently terminated Directors' Deferred Compensation Plan.
- (7) The number of shares reported includes 6,000 shares issuable upon exercise of options granted under the Company's 1998 and 2001 stock option plans.

- (8) The number of shares reported includes 168,500 shares issuable upon exercise of options granted under the Company's stock option plans, 9,959 restricted stock units and 49,121 share equivalents held at February 15, 2012, in the Company's Deferred Compensation Plan.
- (9) The number of shares reported includes 6,000 shares issuable upon exercise of options granted under the Company's 1998, 2001 and 2004 stock option plans, 1,000 shares held by a family member for which beneficial ownership of such shares is disclaimed, and 61,340 share equivalents held at February 15, 2012, in the Company's recently terminated Directors' Deferred Compensation Plan.
- (10) The number of shares reported includes 6,000 shares issuable upon exercise of options granted under the Company's 1998 and 2001 stock option plans.
- (11) The number of shares reported includes 8,000 shares issuable upon exercise of options granted under the Company's 1998, 2001 and 2004 stock option plans, and 31,070 share equivalents held at February 15, 2012, in the Company's recently terminated Directors' Deferred Compensation Plan.
- (12) The number of shares reported includes 18,750 shares issuable upon exercise of options granted under the Company's stock option plans.
- (13) The number of shares reported includes 41,000 shares issuable upon exercise of options granted under the Company's stock option plans and 5,400 restricted stock units.
- (14) The number of shares reported includes 72,000 shares issuable upon exercise of options granted under the Company's stock option plans and 6,530 restricted stock units.
- (15) The number of shares reported includes 98,500 shares issuable upon exercise of options granted under the Company's stock option plans and 7,562 restricted stock units.
- (16) The number of shares reported includes 446,750 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days, 29,451 restricted stock units, 167,956 share equivalents held at February 15, 2012 in the recently terminated Director's Deferred Compensation Plan and 49,121 share equivalents held at February 15, 2012 in the Company's Deferred Compensation Plan. Shares held by immediate family members are included and beneficial ownership of such shares is disclaimed.

PROPOSAL NO. 1  
ELECTION OF DIRECTORS

Directors elected at this Annual Meeting shall hold office until the first annual meeting of stockholders following their election and until a successor shall have been elected and qualified or until the director's prior death, resignation or removal. That being the case, at this Annual Meeting eight (8) directors will be elected to hold office until the 2013 Annual Meeting and until their successors shall be elected and qualified. Each of the nominees has consented to serve as a director if elected. To be elected, each nominee for director requires a majority of the votes cast.

For purposes of electing directors, a "majority of the votes cast" means that the number of votes cast "for" a director exceeds the number of votes cast "against" that director. The Governance Committee has established procedures under which any 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 no longer considered a "routine" item under the NYSE rules. As a result, brokers holding shares beneficially owned by their clients will no longer 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 directors is counted. Abstentions and broker non-votes will not be counted in connection with the election

of directors. The following sets forth with respect to the eight 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.

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 2013 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. While neither the Board nor the Governance Committee has a formal policy regarding diversity in evaluating candidates, the Committee seeks to select nominees with a broad diversity of experience, professions, skills, geographic representations and backgrounds. 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 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, knowledge and abilities to allow the Board to fulfill its responsibilities to the stockholders and the Company. Based on the experiences, attributes and skills of each of the Board's nominees set forth below, which exemplify the sought-after characteristics described above, the Board has concluded that each nominee possesses the appropriate qualifications to serve as a director of the Company.

Rosina B. Dixon, M.D. (age 69). Director since 1995. Chairperson of the Compensation Committee and Member of the Regulatory Affairs Committee of the Board. Dr. Dixon has been Medical Director, Advance Biofactures Corp., a pharmaceuticals company in Lynbrook, NY, since January 2012. Prior to that she was Senior Director, Global Pharmacovigilance and Epidemiology at Sanofi-Aventis, a global biopharmaceuticals company, Bridgewater, NJ from 2006 to 2011. From May 1986 to September 2006 she was a consultant to the pharmaceutical industry. Dr. Dixon previously served as Vice President and Secretary of Medical Market Specialties Incorporated, as well as a member of its Board of Directors. She was also previously Medical Director, Schering Laboratories, Schering-Plough Corporation. Prior to that, Dr. Dixon was Executive Director Biodevelopment, Pharmaceuticals Division, CIBA-GEIGY Corporation. Dr. Dixon has been a member of the Board of Directors of Church & Dwight Co., Inc. since 1979.

As Medical Director at Advance Biofactures Corp., Dr. Dixon provides insight into clinical development issues at small pharmaceutical companies. From her previous experience as Senior Director, Global Pharmacovigilance and Epidemiology at Sanofi-Aventis, she has a unique perspective to offer the Company on a variety of issues relating to worldwide utilization, development, and production of APIs. Dr. Dixon has also gained a wealth of knowledge regarding drug compounds and the pharmaceuticals business during her years as a consultant in the industry and while employed by Schering-Plough Corporation and CIBA-GEIGY. With over 30 years of service on the Board of Directors of Church & Dwight Co., Inc., Dr. Dixon has valuable experience with the issues facing a Board of Directors.

Kathryn R. Harrigan (age 61). Director since 1994. Member of the Audit and Regulatory Affairs Committees of the Board. 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 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, for 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 the Indian Institute of Planning and Management (India). 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, the UK