

ACETO CORP  
Form DEF 14A  
October 26, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

**SCHEDULE 14A**

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

Exchange Act of 1934 (Amendment No. \_\_\_\_\_ )

Filed by the Registrant  x

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Check the appropriate box:

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| <input type="checkbox"/> o   | <input type="checkbox"/> Preliminary Proxy Statement                 |
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**ACETO CORPORATION**

(Name of Registrant as Specified in its Charter)

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Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4)

Date Filed

**ACETO CORPORATION**

**4 Tri Harbor Court**

**Port Washington, NY 11050**

**Tel. (516) 627-6000**

October 26 , 2015

Dear Fellow Shareholder:

I take pleasure in inviting each of you to attend Aceto Corporation's annual meeting of shareholders to be held on Tuesday , December 15 , 2015 at 10:00 a.m., Eastern Standard Time, at the Company's offices, 4 Tri Harbor Court, Port Washington, New York. This year, Aceto will continue to use the "notice and access" method of providing proxy materials to you via the Internet. On or about October 30 , 2015, you will receive a Notice of Internet Availability of Proxy Materials (the "Notice"), which includes instructions regarding voting your shares and requesting a printed copy of our proxy materials.

Please use this opportunity to take part in our affairs by voting on the business to come before this meeting.

I look forward to seeing you at the annual meeting and thank you for your continued support.

Sincerely,

Salvatore Guccione  
President and Chief Executive Officer

**ACETO CORPORATION**

**4 Tri Harbor Court**

**Port Washington, New York 11050**

**Tel. (516) 627-6000**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

To the Shareholders of Aceto Corporation:

We hereby notify you that the annual meeting of shareholders of Aceto Corporation, a New York corporation (the “Company”), will be held on Tuesday , December 15 , 2015 at 10:00 a.m., Eastern Standard Time, at the Company’s offices, 4 Tri Harbor Court, Port Washington, New York, for the following purposes:

to elect seven directors to the board of directors to hold office for the following year and until their successors are elected;

to amend the Company’s Certificate of Incorporation to increase the total number of authorized shares of common stock from 40,000,000 shares to 75,000,000 shares;

to hold an advisory vote on executive compensation;

to approve the Aceto Corporation 2015 Equity Participation Plan;

to ratify the appointment of BDO USA, LLP as the Company’s independent registered public accounting firm for our fiscal year ending June 30, 2016; and

to transact any other business that may properly come before the meeting or any adjournment thereof.

This proxy statement is first being delivered to shareholders on or about October 30 , 2015. The matters listed in this notice of meeting are described in the accompanying proxy statement. The Company’s board of directors (the “Board”) has fixed the close of business on October 22, 2015 as the record date for this year’s annual meeting. You must be a

shareholder of record at that time to be entitled to notice of the annual meeting and to vote at the annual meeting.

**Important notice regarding the availability of Proxy Materials:** The proxy statement and the Company's Annual Report on Form 10-K for the year ended June 30, 2015 are available on the internet to the Company's shareholders of record as of the close of business on October 22, 2015.

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AS SOON AS POSSIBLE. FOR SPECIFIC INSTRUCTIONS ON HOW TO VOTE YOUR SHARES, PLEASE REFER TO THE INSTRUCTIONS ON THE NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS YOU RECEIVED IN THE MAIL OR, IF YOU REQUESTED TO RECEIVE PRINTED PROXY MATERIALS, YOUR ENCLOSED PROXY CARD. ANY SHAREHOLDER MAY REVOKE A SUBMITTED PROXY AT ANY TIME BEFORE THE MEETING BY WRITTEN NOTICE TO SUCH EFFECT, BY SUBMITTING A SUBSEQUENTLY DATED PROXY OR BY ATTENDING THE MEETING AND VOTING IN PERSON. THOSE VOTING BY INTERNET MAY ALSO REVOKE THEIR PROXY BY VOTING IN PERSON AT THE MEETING OR BY VOTING AND SUBMITTING THEIR PROXY AT A LATER TIME BY INTERNET.**

By order of the board of directors,

Douglas Roth  
Chief Financial Officer and Assistant Secretary  
Port Washington, New York

October 26 , 2015

## **ACETO CORPORATION**

**4 Tri Harbor Court**

**PORT WASHINGTON, NEW YORK 11050**

**Tel. (516) 627-6000**

## **PROXY STATEMENT**

### **GENERAL INFORMATION**

#### **Information About Proxy Solicitation**

This proxy statement is being furnished to holders of shares as of the record date of the common stock, \$0.01 par value per share, of Aceto Corporation, a New York corporation (the "Company"), in connection with the Company's annual meeting to be held on Tuesday, December 15, 2015 at 10:00 a.m., Eastern Standard Time, at the Company's offices, 4 Tri Harbor Court, Port Washington, New York. As used in this proxy statement, "Aceto," "we," "us," and "our" refer to the Company. We made this proxy statement available to you because our Board is soliciting your proxy to vote your shares at the annual meeting and at any adjournment. This proxy statement summarizes information that we are required to provide to you under the rules of the United States Securities and Exchange Commission (the "SEC") and the NASDAQ Global Select Market, which information is designed to assist you in voting your shares. The purposes of the meeting and the matters to be acted on are stated in the accompanying notice of annual meeting of shareholders. At present, the Board knows of no other business that will come before the meeting.

This solicitation is made by the Company. We will bear the cost of soliciting proxies, including preparation, assembly, printing and mailing of the Proxy Statement. Proxies are being solicited by and on behalf of the Board. In addition to the use of the mails, proxies may be solicited by personal interview, telephone, telegram, facsimile and advertisement in periodicals and postings, in each case by our directors, officers and employees without additional compensation. In addition, we have retained MacKenzie Partners, Inc. to aid in the solicitation of proxies for this year. We will pay MacKenzie Partners, Inc. fees of not more than \$15,000 plus expense reimbursement for its services. Brokerage houses, nominees, fiduciaries and other custodians will be requested to forward solicitation materials to beneficial owners and will be reimbursed for their reasonable expenses incurred in so doing. We may request by telephone, facsimile, mail, electronic mail or other means of communication the return of the proxy cards. Please contact MacKenzie Partners at 800-322-2885 with any questions you may have regarding our proposals.

Information About Voting

**Q: *Why am I receiving these materials?***

**A:** The Board has made these proxy materials available to you on the Internet or, upon your request, has delivered printed proxy materials to you, in connection with the Company's annual meeting of shareholders, which will take place on December 15, 2015. As a shareholder, you are invited to attend the annual meeting and to vote on the items of business described in this proxy statement.

**Q: *What information is contained in these materials?***

**A:** The information included in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, the compensation of directors and the most highly paid executive officers, and certain other required information. A copy of our Annual Report on Form 10-K for the fiscal year ended June 30, 2015 (the "Form 10-K") is also included as part of the proxy materials.

**Q: *Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?***

**A:** In accordance with the "notice and access" rules adopted by the Securities and Exchange Commission (the "SEC"), we may furnish proxy materials, including this proxy statement and our Form 10-K to our shareholders by providing access to such documents on the Internet instead of mailing printed copies. Most shareholders will not receive printed copies of the proxy materials unless they request them. Instead, the Notice, which was mailed to most of our shareholders, will instruct you as to how you may access and review all of the proxy materials on the Internet. The Notice also instructs you as to how you may access and submit your proxy. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice.



**Q:** *How do I get electronic access to the proxy materials?*

**A:** The Notice will provide you with instructions regarding how to access the Notice of Annual Meeting, this Proxy Statement, your proxy and Form 10-K. The proxy materials will be available on the Internet starting on October 30, 2015, as described in the Notice. You will not receive a printed copy of these proxy materials unless you request them in accordance with the instructions provided in the Notice.

**Q:** *What items of business will be voted on at the annual meeting?*

**A:** The following matters will be voted on at the annual meeting:

- to elect seven directors to the Board to hold office for the following year and until their successors are elected;
- to amend the Company's Certificate of Incorporation to increase the total number of authorized shares of common stock from 40,000,000 shares to 75,000,000 shares;
- to hold an advisory vote on executive compensation;
- to approve the Aceto Corporation 2015 Equity Participation Plan;
- to ratify the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for our fiscal year ending June 30, 2016; and
- to transact any other business that may properly come before the meeting or any adjournment thereof.

**Q:** *How does the Company's board of directors recommend that I vote?*

**A:** The Board recommends that you vote:

- FOR each of the nominees to the Board;
- FOR the approval of an amendment to the Company's Certificate of Incorporation to increase the total number of authorized shares of common stock from 40,000,000 shares to 75,000,000 shares;

FOR approval, on a non-binding basis, of the Company's compensation of our named executive officers as described in the Compensation Discussion and Analysis section and the accompanying compensation tables and narrative disclosures contained in this proxy statement;

FOR the approval of the Aceto Corporation 2015 Equity Participation Plan; and

FOR the ratification of the appointment of the Company's independent registered public accounting firm.

**Q:**

***What shares can I vote?***

You may vote all shares owned by you as of the close of business on October 22, 2015, the record date. These shares include: (1) shares held directly in your name as a shareholder of record; and (2) shares held for you, as the beneficial owner, through a broker or other nominee, such as a bank.

**Q:** *Can I vote my shares by filling out and returning the Notice?*

No. The Notice identifies the items to be voted on at the Annual Meeting, but you cannot vote by marking the Notice and returning it. The Notice provides instructions on how to vote by (i) Internet, (ii) requesting and returning a paper proxy card or voting instruction card, or (iii) submitting a ballot in person at the meeting.

**Q:** *What is the difference between holding shares as a shareholder of record and as a beneficial owner?*

Most shareholders of the Company hold their shares through a broker or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

If your shares are registered directly in your name with the Company's transfer agent, American Stock Transfer & Trust Company, LLC, you are considered, with respect to those shares, the shareholder of record and the Notice is being sent directly to you by the Company. As the shareholder of record, you have the right to grant your proxy directly to the Board or to vote in person at the meeting.

If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of those shares, which are said to be held in "street name," and the Notice is being forwarded to you by your broker or nominee. As the beneficial owner, you have the right to direct your broker or nominee how to vote and are also invited to attend the annual meeting. However, since you are not the shareholder of record, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the broker or nominee that holds your shares, giving you the right to vote the shares. If you do not provide voting instructions to your broker or nominee, your votes will be treated as a "broker non-vote."

**Q:** *What is a "broker non-vote"?*

Broker non-votes occur when nominees, such as banks and brokers holding shares on behalf of beneficial owners, do not receive voting instructions from the beneficial holders at least ten days before the meeting. If that happens, the nominees may vote those shares only on matters deemed "routine" by the New York Stock Exchange, such as the ratification of our independent accounting firm. Nominees cannot vote on non-routine matters unless they receive voting instructions from beneficial holders, resulting in so-called "broker non-votes."

**Q:** *How can I attend the annual meeting?*

**A:** You are entitled to attend the annual meeting only if you were a shareholder of the Company or joint holder as of the close of business on October 22, 2015, or you hold a valid proxy for the annual meeting. You should be

prepared to present photo identification for admittance. If you are not a record holder but hold shares through a broker or nominee (that is, in “street name”), you should provide proof of beneficial ownership on the record date, such as your most recent account statement prior to the record date, a copy of the voting instruction card provided by your broker or nominee, or other similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above upon request, you will not be admitted to the annual meeting. The annual meeting will begin promptly at 10:00 a.m. Eastern Standard Time. Check-in will begin at 9:00 a.m., and you should allow ample time for the check-in procedures.

*Q: How can I vote my shares in person at the annual meeting?*

You may vote in person at the annual meeting any shares that you hold as the shareholder of record. You may only **A:** vote in person shares held in street name if you obtain from the broker or nominee that holds your shares a “legal proxy” giving you the right to vote the shares.

**Q:** *How can I vote my shares without attending the annual meeting?*

**A:** Whether you hold shares directly as the shareholder of record or beneficially in street name, you may without attending the meeting direct how your shares are to be voted. If you are a shareholder of record, you may vote by granting a proxy. If you hold shares in street name, you may vote by submitting voting instructions to your broker or nominee.

**Q:** *Can I change my vote?*

**A:** You may change your vote at any time prior to the vote at the annual meeting. For shares held directly in your name, you may accomplish this by granting a new proxy bearing a later date (which automatically revokes the earlier proxy), by revoking your proxy or by attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically revoke your proxy or vote at the annual meeting. For shares you hold beneficially, you may change your vote by submitting new voting instructions to your broker or nominee or, if you have obtained a “legal proxy” from your broker or nominee giving you the right to vote your shares, by attending the meeting and voting in person. If you decide to revoke your proxy, you should send a written notice of revocation to Mr. Steven Rogers, General Counsel and Secretary, Aceto Corporation, 4 Tri Harbor Court, Port Washington, New York 11050.

**Q:** *Who can help answer my questions?*

**A:** If you have any questions about the annual meeting or how to vote or revoke your proxy, you should contact Mr. Steven Rogers, General Counsel and Secretary, by mail to Aceto Corporation, 4 Tri Harbor Court, Port Washington, New York 11050 or by phone at 516-627-6000. Also, if you need additional copies of this proxy statement or voting materials, you should contact Mr. Rogers.

**Q:** *How are votes counted?*

**A:** In the election of directors, you may vote FOR all of the seven nominees or you may direct your vote to be WITHHELD with respect to one or more of the seven nominees. In the approval of the amendment to the Company’s Certificate of Incorporation, you may vote FOR approval of the amendment, AGAINST approval of the amendment or you may ABSTAIN from voting with respect to approval of the amendment. In the advisory vote on executive compensation, you may vote FOR, AGAINST, or you may ABSTAIN from voting with respect to the approval of the compensation of the named executive officers as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and any related material disclosed in this proxy statement. In the approval of the Aceto Corporation 2015 Equity Participation Plan, you may vote FOR approval of the plan, AGAINST approval or you may ABSTAIN from voting with respect to approval of the plan. In the ratification of the Company’s independent registered public accounting firm, you may vote FOR ratification, AGAINST ratification or you may ABSTAIN from voting with respect to ratification. If you provide specific instructions, your shares will be voted as you

instruct. If you sign your proxy card or voting instruction card or vote over the Internet with no further instructions, your shares will be voted in accordance with the recommendations of the Board FOR all of the Company's nominees, FOR approval of the amendment to the Company's Certificate of Incorporation, FOR approval of the compensation of the named executive officers as described above, FOR the approval of the 2015 Equity Participation Plan, FOR ratification of the Company's independent registered public accounting firm and, in the discretion of the proxy holders, on any other matters that properly come before the meeting. If any other matters properly arise at the meeting, your proxy, together with the other proxies received, will be voted at the discretion of the proxy holders.

***Q: What is a quorum and why is it necessary?***

A: Conducting business at the meeting requires a quorum. The presence, either in person or by proxy, of the holders of one-third of the Company's shares of common stock outstanding on October 22, 2015 is necessary to constitute a quorum. For the purposes of determining a quorum, shares held by brokers or nominees from whom we receive a signed or electronically transmitted proxy will be treated as present even if the broker or nominee does not have discretionary power to vote on a particular matter, or if instructions were never received from the beneficial owner. These shares are called "broker non-votes." Abstentions will be counted as present for quorum purposes.

**Q: *What is the voting requirement to approve each of the proposals?***

In the election of directors, the seven persons receiving the highest number of FOR votes at the annual meeting will be elected. Accordingly, votes withheld and broker non-votes do not have the effect of a vote for or against the election of any nominee. You do not have the right to cumulate your votes. For the vote on the amendment of the Company's Certificate of Incorporation, the affirmative "FOR" vote of a majority of the outstanding shares of common stock is required for approval. For the advisory vote on executive compensation, for the approval of the Aceto Corporation 2015 Equity Participation Plan, for the for the ratification of the appointment of the Company's independent registered public accounting firm for our fiscal year ending June 30, 2016 and any other matters that might properly arise at the meeting, the affirmative "FOR" vote of a majority of the total votes cast on the proposal is required for approval. Accordingly, abstentions will have no effect on the advisory vote on executive compensation, on the approval of the Aceto Corporation 2015 Equity Participation Plan or on the ratification of the appointment of the Company's independent registered public accounting firm, but will have the same effect as a vote "AGAINST" with respect to the amendment to the Company's Certificate of Incorporation. Broker non-votes will have no effect on the advisory vote on executive compensation and the approval of the Aceto Corporation 2015 Equity Participation Plan and will have the same effect as a vote "AGAINST" with respect to the amendment to the Company's Certificate of Incorporation. A list of shareholders entitled to vote at the annual meeting will be available at the annual meeting for examination by any shareholder.

**Q: *Why is the Company seeking approval of the amendment to the Certificate of Incorporation to increase the total number of authorized shares of common stock?***

The Company's Certificate of Incorporation currently allows it to issue up to a combined total of 40,000,000 shares of common stock. As of the record date, we had 29,502,043 shares of common stock issued and outstanding. Further, 759,531 shares of common stock are reserved for future issuance as of such date. We are seeking approval of an amendment to the Company's Certificate of Incorporation to increase the total number of authorized shares of common stock from 40,000,000 to 75,000,000 in order to have additional shares of common stock available to issue for future general corporate purposes, including capital raising transactions, employee benefit plans, acquisitions and other corporate uses.

**Q: *What will happen if the Company's stockholders do not approve the amendment to the Certificate of Incorporation to increase the total number of authorized shares of common stock?***

If the Company's stockholders do not approve the amendment to the Certificate of Incorporation to increase the total number of authorized shares of common stock, then the Company will not be able to increase the total number of authorized shares of common stock from 40,000,000 to 75,000,000 and, therefore, the Company will be limited in the number of authorized shares of common stock available for issuance.

**Q: *What should I do if I receive more than one Notice?***

A:

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You may receive more than one Notice if you are a shareholder of record and hold shares in a brokerage account, if you hold your shares in more than one brokerage account, or if you are a shareholder of record and your shares are registered in more than one name. Please complete and return a proxy card or voting instruction card for each Notice that you receive.



**Q:** *Where can I find the voting results of the annual meeting?*

Voting results will be announced at the annual meeting and are expected to be posted shortly after the meeting on our website at [www.aceto.com](http://www.aceto.com). Voting results will also be reported in a Current Report on Form 8-K, which is expected to be filed with the SEC within four business days after the meeting.

**Q:** *What are the dissenters' rights of appraisal?*

Pursuant to the applicable provisions of the Business Corporation Law of the State of New York, there are no dissenters' rights of appraisal provided to the Company's shareholders in connection with the proposals described in this proxy statement.

**Q:** *What happens if additional matters are presented at the annual meeting?*

Other than the five items of business described in this proxy statement, we are not aware of any other business to be acted upon at the annual meeting. However, if you grant a proxy, the persons named as proxy holders, Salvatore Guccione, the Company's President and Chief Executive Officer and Douglas Roth, the Company's Chief Financial Officer and Assistant Secretary, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If for any unforeseen reason any of our nominees is not available as a candidate for director, the persons named as proxy holders will vote your proxy for any one or more other candidates nominated by the Board.

**Q:** *What shares are entitled to be voted?*

Each share of the Company's common stock issued and outstanding as of the close of business on October 22, 2015, the record date, is entitled to be voted on all items being voted on at the annual meeting, with each share being entitled to one vote. On the record date, 29,502,043 shares of the Company's common stock were issued and outstanding.

**Q:** *Who will count the votes?*

**A:** One or more inspectors of election will tabulate the votes.

**Q:** *Is my vote confidential?*

**A:** Proxy instructions, ballots, and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed, either within the Company or to anyone else, except:

(1) as necessary to meet applicable legal requirements; (2) to allow for the tabulation of votes and certification of the vote; or (3) to facilitate a successful proxy solicitation.

**Q:** *Who will bear the cost of soliciting votes for the annual meeting?*

The Company is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials. Certain of our directors, officers and employees, without any additional compensation, may also solicit your vote in person, by telephone or by electronic communication. On request, we will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to shareholders.

**Q:** *May I propose actions for consideration at next year's annual meeting of shareholders?*

You may submit proposals for consideration at future shareholder meetings. However, in order for a shareholder proposal to be considered for inclusion in the Company's proxy statement for the annual meeting next year, the written proposal must be received by the Secretary of the Company no later than July 1, 2016. Such proposals also will need to comply with SEC regulations under Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") regarding the inclusion of shareholder proposals in company-sponsored proxy materials.

**PROPOSAL ONE**

**ELECTION OF DIRECTORS**

**THE NOMINEES**

The Board is proposing a slate of directors that consists of seven directors.

The nominees and their ages, as of October 22, 2015 are set forth in the table below.

<b>NAME</b>	<b>AGE</b>	<b>POSITION</b>	<b>DIRECTOR SINCE</b>
Albert L. Eilender	72	Chairman	2000
Salvatore Guccione	53	President, Chief Executive Officer and Director	2011
Hans C. Noetzli (3) (4) (6)	74	Director	2002
William N. Britton (2) (5)	70	Director	2006
Natasha Giordano (1) (2)	55	Director	2011
Alan G. Levin (6) (7)	53	Director	2013
Dr. Daniel B. Yarosh (4)	61	Director	2014

- (1) This director was the chairperson of the compensation committee during fiscal 2015.
- (2) This director was a member of the audit & risk committee during fiscal 2015.
- (3) This director was designated the lead independent director during fiscal 2015.
- (4) This director was a member of the compensation committee during fiscal 2015.
- (5) This director was the chairman of the nominating and governance committee during fiscal 2015.
- (6) This director was a member of the nominating and governance committee during fiscal 2015.
- (7) This director was the chairman of the audit & risk committee during fiscal 2015.

It is the intention of the persons named in the proxy card to vote all shares of common stock for which they have been granted a proxy for the election of the nominees, each to serve as a director for a term of office of one year and until his or her successor shall have been duly elected. All the nominees have consented to being named in this proxy statement and to serve as a director if elected.

At the time of the annual meeting, if any of the nominees named above is not available to serve as director (an event that the Board does not currently have any reason to anticipate), all proxies will be voted for any one or more other persons that the Board designates. The Board believes that it is in the best interests of the Company to elect the above-described nominees.

#### **INFORMATION ABOUT THE NOMINEES**

No director or executive officer of the Company is related to any other director or executive officer. None of the Company's officers or directors holds any directorships in any other public company. A majority of our board members are independent based on the definition of independence in Listing Rule 5605(a)(2) of The NASDAQ Stock Market.

Set forth below is the principal occupation and employment of the nominees, the business experience of each for at least the past five years and certain other information relating to the nominees.

**Albert L. Eilender.** Mr. Eilender has been the Chairman of the Board since October 2009. He joined the Board in 2000, was the lead independent director from 2005 to September 2009 and served as Chief Executive Officer of the Company from September 2010 to January 2013. He is the sole owner of Waterways Advisory Services, a firm specializing in advising companies on developing and evaluating options relative to mergers, acquisitions and strategic partnerships in the chemical industry. Mr. Eilender has not been active in the operations of this enterprise since October 2009. He has more than 35 years of diverse senior level experience in the specialty chemicals and pharmaceutical industry and has had direct financial responsibility, with significant experience in mergers, acquisitions and joint ventures, both domestically and internationally. He has also served on the boards of numerous industry trade associations during his career. We believe that Mr. Eilender's past 25 years of industry experience in executive management for operations within all three segments of Aceto's business, as well as operations in North America, Europe and Asia, coupled with his experience in the areas of business consultation and mergers and acquisitions, and his service on the Board since 2000, give him the qualifications and skills to serve as one of our directors. In addition, as a director of Aceto he has demonstrated leadership within the Board and the ability to work effectively with management to create unity of effort.

**Salvatore Guccione.** Mr. Guccione is the Chief Executive Officer, President and Chief Operating Officer of Aceto. Mr. Guccione joined Aceto's Board in May 2011 and in December 2011 was appointed President and Chief Operating Officer of the Company. In January 2013 he was also appointed Chief Executive Officer. Mr. Guccione was formerly an Operating Partner at Arsenal Capital Partners, a private equity investment firm based in New York. Prior to that, Mr. Guccione was the Chief Executive Officer and the Chief Financial Officer of WIL Research Laboratories from 2006 to 2009 and the Chief Financial Officer of International Specialty Products from 2004 to 2005. In addition, Mr. Guccione held various positions at Cambrex Corporation from 1995 to 2004, including Executive Vice President, Strategy and Chief Financial Officer. From 1987 to 1995, Mr. Guccione held various positions at International Specialty Products, including Vice President and General Manager, Personal Care and Director, Corporate Development. Mr. Guccione holds a Bachelor degree in Chemical Engineering from Lehigh University and an MBA in Finance from New York University's Stern School of Business. Mr. Guccione previously served on the board of directors of ReSearch Pharmaceutical Services, Inc., a privately held company, from November 2011 to September 2013. In addition, Mr. Guccione previously served on the boards of Royal Adhesives & Sealants Holdings and DG3 Holdings from 2010 to October 2011. We believe that Mr. Guccione's twenty-seven years of investing and operating experience in the specialty chemicals and healthcare industries as well as his experience in planning, building and managing several specialty chemical and pharmaceutical/FDA-regulated businesses, active pharmaceutical ingredients, pharmaceutical research services and biotechnology products/services, gives him the qualifications and skills to serve as one of our directors.

**Hans C. Noetzli.** Mr. Noetzli is the former Chairman of Schweizerhall, Inc., a wholly owned subsidiary of Schweizerhall Holding AG, Basel, Switzerland. Mr. Noetzli holds a degree in Business Administration. He has more than 30 years of experience in the fine chemicals industry. Prior to his role as Chairman of Schweizerhall, Inc., he served in many executive functions of the Alusuisse-Lonza Group, among them as Chief Executive Officer of Lonza Inc. for 16 years and he was a member of the executive committee of the worldwide Alusuisse-Lonza Group located in Zurich, Switzerland. Mr. Noetzli also served on the Board of the Chemical Manufacturing Association, the Swiss-American Chamber of Commerce, New York, as well as other industry associations. Until April 2015, he was the Chairman of the Audit Committee of the Board of IRIX Pharmaceuticals, Inc., a privately owned developer and manufacturer of active pharmaceutical ingredients. In addition, Mr. Noetzli was a member of the Board of Synthetech, Inc., a fine chemicals company specializing in organic synthesis, biocatalysis and chiral technologies, from 2004

through 2010. We believe that Mr. Noetzli's extensive experience in the fine chemicals industry, and executive-level experience, as well as the valuable business knowledge he brings regarding the issues facing a board of directors and his service on the Board of the Company since 2002, give him the qualifications and skills to serve as one of our directors. In addition, his broad international experience, coupled with his fluency in 3 languages, adds to the diversity of the Board.

**William N. Britton.** Mr. Britton is the sole owner of TD AIM, LLC, through which he is involved in a variety of activities surrounding financial consulting and private equity investing. Mr. Britton is also a Vice Chairman of P and E Capital, Inc., a management company involved in real estate. Previously, Mr. Britton was a Senior Vice President with JP Morgan Chase. He has over 30 years of commercial lending experience ranging from large syndicated financings with Fortune 500 companies to privately owned businesses, with significant experience in private equity related transactions, asset based lending arrangements, leasing and many other forms of secured lending. Mr. Britton is a former member of the Northeast Advisory Council of Opera Solutions, a private firm engaged in consulting. Mr. Britton is a former Vice President-Finance for the Boy Scouts of America (Manhattan Council) and is on the board of the Rutgers Business School. We believe that Mr. Britton's finance and business consultation and executive-level management experience, as well as his service on the Board of the Company since 2006, give him the qualifications and skills to serve as one of our directors.

**Natasha Giordano.** Ms. Giordano has been the Chief Executive Officer of ClearPoint Learning, Inc., since May 2015 and a director of ClearPoint since December 2009. ClearPoint provides interactive health education and learning solutions to leading life sciences companies. Ms. Giordano informed the Company that she submitted her resignation to ClearPoint effective November 14, 2015 and that she will become the President and Chief Executive Officer, and a director, of PLx Pharma Inc. on or before January 1, 2016. Prior to ClearPoint, Ms. Giordano served as the Chief Executive Officer of Healthcare Corporation of America through August 2014. From 2009 to August 2012, Ms. Giordano served as Chief Operating Officer and then Chief Executive Officer and President of Xanodyne Pharmaceuticals, Inc., a branded specialty pharmaceutical company. From 2000 to 2008, she served in various senior management positions at Cegecim Dendrite (formerly Dendrite International Inc.), including serving as President, Americas from 2007 to 2008. Earlier in her career, Ms. Giordano worked for nine years at Parke-Davis, a subsidiary of Warner Lambert. Ms. Giordano holds a Bachelor of Science degree in nursing from Wagner College. We believe that Ms. Giordano's twenty plus years of senior leadership positions in the healthcare and pharmaceutical industry brings to our Board a vast amount of practical experience in general management, strategy, marketing, sales development, and compliance, which give her the qualifications and skills to serve as one of our directors.

**Alan G. Levin.** Mr. Levin served as Executive Vice President and Chief Financial Officer of Endo Health Solutions Inc. (Endo), a global specialty healthcare company, from June 2009 until September 2013. Prior to joining Endo, Mr. Levin worked with Texas Pacific Group, a leading private equity firm, and one of their start-up investments. Before that, he was Senior Vice President & Chief Financial Officer of Pfizer, Inc. where he worked for 20 years in a variety of executive positions of increasing responsibility, including Treasurer and Senior Vice President of Finance & Strategic Management for the company's research and development organization. Mr. Levin received a bachelor's degree from Princeton University and a master's degree from New York University's Stern School of Business. Mr. Levin is a certified public accountant. He is a member of the Advisory Board of Auvon Therapeutics, a private equity fund, Diffusion Pharmaceuticals LLC, a development stage oncology company, and the Critical Path Institute, a non-profit collaboration between the Food and Drug Administration and pharmaceutical industry participants. We believe that Mr. Levin's financial experience, including his prior positions as chief financial officer of Endo and Pfizer and executive-level experience in the pharmaceutical industry, as well as his experience in financial reporting, treasury and corporate finance, gives him the qualifications and skills to serve as one of our directors.

**Dr. Daniel B. Yarosh.** Dr. Daniel B. Yarosh, PhD is Chief Technology Advisor, Estee Lauder Companies, a manufacturer and marketer of skin care, makeup, fragrance and hair care products. From 2008 to 2014 he was Senior Vice President of Basic Science Research at Estee Lauder R&D. He founded and served as President and Chairman of Applied Genetics Inc. Dermatics, a biotech company focusing on DNA science for 23 years before selling it to Estee Lauder. Dr. Yarosh has a PhD degree in molecular biology, and was a National Science Foundation postdoctoral fellow at Brookhaven National Laboratories and Staff Fellow and Cancer Expert at the National Cancer Institute, National Institutes of Health in Bethesda, Maryland. He is active in the New York biotech community and many scientific and medical societies, including the American Academy of Dermatology. Dr. Yarosh is the author of over 100 scientific papers, two dozen patents, and the book "The New Science of Perfect Skin". Dr. Yarosh is a volunteer board member of the Photomedicine Society, a medical professional non-profit society and is also a volunteer advisor to other professional scientific, medical and patient groups. Dr. Yarosh received a bachelor's degree in biology from Macalester College and a PhD from the University of Arizona School of Medicine. Dr. Yarosh's prior experience, including his executive and scientific research experience at Estee Lauder and his expertise in the biotech industry, gives him the qualifications and skills to serve as one of our directors.

INFORMATION ABOUT THE COMPANY'S COMMITTEES

**Board Leadership Structure and Role in Risk Oversight**

Since January 2, 2013, Salvatore Guccione has served as our Chief Executive Officer, President and Chief Operating Officer. As Chief Executive Officer, Mr. Guccione assumes leadership for all aspects of Aceto Corporation's operations. He concentrates on strategic issues, long range planning, acquisition activity and day-to-day operations. Albert L. Eilender, the Chairman of the Board, concentrates on strategic issues while continuing to coordinate the Board's agenda and investor relations. This structure is designed to sharpen the focus on all aspects of the Company's business. Hans C. Noetzli is currently our lead independent director. In that role, Mr. Noetzli serves as a liaison between the Chairman of the Board and the independent directors of the Board.



The Board has an active role, directly and through the Board's committee structure, in the oversight of the Company's risk management efforts. The audit & risk committee assists the Board in performing its oversight responsibilities relating to the Company's processes and policies with respect to identifying, monitoring, assessing, reporting on, managing and controlling the Company's business and financial risk. The committee oversees, reviews, monitors and assesses (including through regular reports by, and discussions with, management), the Company's processes and policies for risk identification, risk assessment, reporting on risk, risk management and risk control (including with respect to risks arising from the Company's compensation policies and practices and in connection with the business and operations of its subsidiaries), and the steps that management has taken to identify, assess, monitor, report on, manage and control risks. The committee also discusses with management the balancing of risk versus reward for the Company and areas of specific risk identified by management and/or the committee.

#### Audit & Risk Committee

The audit & risk committee is currently comprised of Alan G. Levin (Chairman), William N. Britton and Natasha Giordano. The audit & risk committee recommends to the Board the approval of the Company's independent registered public accounting firm and reviews management actions in matters relating to audit functions. The committee reviews with the Company's independent registered public accounting firm the scope and results of its audit engagement and the Company's system of internal controls and procedures. The committee also reviews the effectiveness of procedures intended to prevent violations of laws. The committee also reviews, prior to publication, our quarterly earnings releases and reports to the SEC on Form 10-K and Form 10-Q. The report of the audit & risk committee for fiscal year 2015 can be found below.

The audit & risk committee has adopted a written policy for the pre-approval of audit, audit-related and non-audit services to be provided by the Company's independent registered public accounting firm. In general, the Company's independent registered public accounting firm cannot be engaged to provide any audit or non-audit services unless the engagement is pre-approved by the audit & risk committee in compliance with the Sarbanes-Oxley Act of 2002. Certain basic services may also be pre-approved by the Chairman of the audit & risk committee under the policy. However, any service that is not specifically pre-approved under the policy must be specifically pre-approved by audit & risk committee if it is to be provided by the independent registered public accounting firm.

The audit & risk committee, consistent with the Sarbanes-Oxley Act of 2002 and the rules adopted thereunder, also meets with management and the auditors prior to the filing of officers' certifications with the SEC to request information concerning, among other things, significant deficiencies in the design or operation of internal controls, if any.

The audit & risk committee assists the Board in performing its oversight responsibilities relating to the Company's processes and policies with respect to identifying, monitoring, assessing, reporting on, managing and controlling the Company's business and financial risk. The audit & risk committee discusses with the Company's Senior Risk Officer,

and other members of management responsible for managing risk, areas of specific risk identified by management and/or the Committee.

The Board has determined that all audit & risk committee members are independent under applicable SEC regulations, and based on the definition of independence in Listing Rule 5605(a)(2) of The NASDAQ Stock Market. Our Board has determined that Mr. Levin and Mr. Britton qualify as an “audit committee financial expert” as that term is used in SEC regulations. The audit & risk committee operates under a formal charter that governs its duties and conduct and is published on the Company’s corporate website – [www.aceto.com](http://www.aceto.com).

The audit & risk committee has adopted a Non-Retaliation Policy and a Complaint Monitoring Procedure to enable confidential and anonymous reporting regarding financial irregularities, if any.

## Nominating and Governance Committee

The nominating and governance committee is currently comprised of William N. Britton (Chairman), Hans C. Noetzli and Alan G. Levin, each of whom is an “independent director” based on the definition of independence in Listing Rule 5605(a)(2) of The NASDAQ Stock Market. The nominating and governance committee addresses Board organizational issues and reviews the Company’s corporate governance framework. In addition, the nominating and governance committee searches for persons qualified to serve on the Board and monitors, assesses and makes recommendations to the Board annually with respect to the leadership structure of the Board. While the nominating and governance committee does not have a formal policy on diversity for members of the Board, the nominating and governance committee considers diversity of background, experience and qualifications in evaluating prospective Board members. The committee will evaluate the suitability of potential nominees for membership on the Board, taking into consideration the Board’s current composition, including expertise, diversity, and balance of inside, outside and independent directors, and considering the qualifications and criteria established by the Board. In considering director candidates, the nominating and governance committee and the Board endeavor to establish a diversity of background and experience in a number of areas of core competency, including business judgment, management, accounting and finance, knowledge of the industries in which the Company operates, strategic vision, knowledge of international markets, and other areas relevant to the Company’s business.

The nominating and governance committee operates under a formal charter that governs its duties and conduct and is published on the Company’s corporate website – [www.aceto.com](http://www.aceto.com).

A shareholder entitled to vote in the election of directors may nominate one or more persons for election as director at a meeting if written notice of that shareholder’s intent to make the nomination has been given to Aceto Corporation, 4 Tri Harbor Ct, Port Washington, New York 11050, Attention, Secretary, with respect to an election to be held at an annual meeting of shareholders (A) not earlier than the close of business on the 120th day prior to the first anniversary of the date that our Proxy Statement is released to shareholders in connection with the previous year’s annual meeting of shareholders, and not later than the 90th day prior to such anniversary date, or (B) (i) if no annual meeting was held in the previous year or (ii) the date of the annual meeting has been changed by more than 30 calendar days from the date of the previous year’s annual meeting, then the deadline is not earlier than the 120th day prior to such annual meeting and not later than the later of the 90th day prior to such annual meeting or if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made or (ii) if no annual meeting was held in the previous year, then the deadline is a reasonable time before the Company begins to print and send its proxy materials.

A shareholder’s notice relating to nomination for directors shall set forth as to each person, if any, whom the shareholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Company which are beneficially owned by such person, (D) a description of all arrangements or understandings between the shareholder and each nominee and any other person(s) (naming such person(s))

pursuant to which the nominations are to be made by the shareholder (E) certain other information set forth in our By-laws and (F) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including without limitation such person's written consent to being named in our Proxy Statement, if any, as a nominee and to serving as a director if elected); and as to such shareholder giving notice (i) the name and address, as they appear on the Company's books, of such shareholder, (ii) the class and number of shares of the Company and derivative securities which are directly or indirectly beneficially owned by such shareholder, (iii) any material interest of such shareholder in the election of the nominee, (iv) any other information that is required to be provided as set forth in the preceding paragraph and by such shareholder pursuant to Regulation 14A under the Exchange Act, in his capacity as a proponent of a shareholder proposal, and (v) such other information as is required by our By-laws. No person shall be eligible for election as a director of the Company, unless nominated in accordance with the procedures set forth herein and in our By-laws, as amended.

As described above, the Company's By-laws contain provisions which address the process by which a shareholder may nominate an individual to stand for election to the Board at the Company's annual meeting of shareholders. The nominating and governance committee will consider and vote on any recommendations so submitted. In considering any person recommended by a shareholder, the committee will look for the same qualifications that it looks for in any other person that is considered for a position on the Board.

Any shareholder nominee recommended by the nominating and governance committee and proposed by the Board for election at the next annual meeting of shareholders will be included in the company's proxy statement for that annual meeting.

### **Compensation Committee**

The compensation committee is currently comprised of Natasha Giordano (Chairperson), Hans C. Noetzli, and Dr. Daniel B. Yarosh, each of whom is an "independent director" based on the definition of independence in Listing Rule 5605(a)(2) of The NASDAQ Stock Market. The compensation committee conducts reviews of the compensation of the directors, Chief Executive Officer and other senior executive officers of the Company including evaluating and making recommendations to the Board concerning those officers' benefits, bonus, incentive compensation, severance, equity-based compensation, and other forms of compensation provided by the Company. The compensation committee meets as it determines, but not less frequently than annually. The compensation committee may delegate a portion of its authority to a subcommittee or subcommittees. The compensation committee has the exclusive authority to retain any compensation consultants to be used to assist the committee in the evaluation and determination of the Company's compensation for its Chief Executive Officer, other senior executive officers and directors.