

CAMBREX CORP  
Form DEF 14A  
April 02, 2007

**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 (Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12 Section 240.14a-2.

Cambrex Corporation  
(Name of Registrant as Specified In Its Charter)

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

(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:

- o Fee paid previously with preliminary materials:
- o 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:

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**CAMBREX CORPORATION**

March 30, 2007

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, 2007 at 1:00 P.M. at the Sheraton Meadowlands Hotel, Two Meadowlands Plaza, East Rutherford, New Jersey. Your Board of Directors and management look forward to greeting personally those stockholders that are able to attend.

At this year's meeting, you will be asked to (1) elect four (4) directors, (2) ratify the selection of the Company's auditors, BDO Seidman, and (3) approve amendments to our Restated Certificate of Incorporation in order to declassify the Board of Directors and authorizing (i) the annual election of all members of the Board of Directors; (ii) stockholders to remove a director with or without cause by a majority vote of the then outstanding shares of common stock entitled to vote generally in the election of directors; and (iii) removal of provisions requiring a supermajority vote of our common stock to effect certain amendments to our Restated Certificate of Incorporation and By-Laws.

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,

**James A. Mack**  
Chairman

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**CAMBREX CORPORATION**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD APRIL 26, 2007**

Notice Is Hereby Given that the 2007 Annual Meeting of Stockholders of Cambrex Corporation (the Company) will be held at the Sheraton Meadowlands Hotel, Two Meadowlands Plaza, East Rutherford, New Jersey on April 26, 2007 at 1:00 P.M. for the following purposes:

1. to elect four (4) directors in Class II to hold office until the 2010 Annual Meeting of Stockholders and until their successors shall be elected and qualified; and
2. To consider and act upon the ratification of the appointment of BDO Seidman as independent accountants for 2007; and
3. To amend our Restated Certificate of Incorporation in order to declassify the Board of Directors and authorizing:

(i) the annual election of all members of the Board of Directors;

(ii) stockholders to remove a director with or without cause by a majority vote of the then outstanding shares of common stock entitled to vote generally in the election of directors; and

(iii) the removal of provisions requiring a supermajority vote of our common stock to effect certain amendments to our Restated Certificate of Incorporation and By-Laws; and

4. 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, 2007 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 Peter E. Thauer, Senior Vice President, General Counsel & Secretary, Cambrex Corporation, One Meadowlands Plaza, East Rutherford, New Jersey 07073.

By Order of the Board of Directors,

**Peter E. Thauer,**  
Secretary

March 30, 2007

**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**

**2007 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 of Cambrex Corporation (the Company) for use at the 2007 Annual Meeting of Stockholders to be held on April 26, 2007, 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 30, 2007.

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 therefore 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.

**REVOCABILITY AND VOTING OF PROXY**

A proxy given by a stockholder may be revoked at any time before it is exercised 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. 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. Properly executed proxies received by the Company will be voted in accordance with the instructions indicated thereon and if no instructions are indicated, will be voted for the election of the four (4) nominees for director named herein; for the selection of BDO Seidman as independent accountants for the Company; and for the amendments to our Restated Certificate of Incorporation to declassify the Board of Directors and authorize (a) the annual election of all members of the Board of Directors; (b) stockholders to remove a director with or without cause by a majority vote of the then outstanding shares of common stock entitled to vote generally in the election of directors; and (c) the removal of provisions requiring a supermajority vote of our common stock to effect certain amendments to our Restated Certificate of Incorporation and By-Laws. 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 of Directors 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 of Directors 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 AND VOTING RIGHTS**

The Company has only one class of voting securities, 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, 2007 will be entitled to vote at the meeting. On such record date there were outstanding and entitled to vote 28,281,431 shares of Common Stock and each such share is entitled to one vote.





**PRINCIPAL STOCKHOLDERS**

The following sets forth information with respect to the only persons of which the Company is aware as of February 15, 2007, who may be deemed to beneficially own more than 5% of the outstanding Common Stock of the Company:

| Name and Address   | Number of Shares<br>Beneficially<br>Owned(1) | Percent of<br>Class(2) |
|--|--|------------------------|
| Snyder Capital Management, L.P.<br>Snyder Capital Management, Inc.<br>One Market Plaza<br>Steuart Tower, Suite 1200<br>San Francisco, CA 94105 | 2,483,510(3)                                 | 8.5%                   |

- (1) Unless otherwise indicated (a) share ownership is based upon information furnished to the Company as of February 15, 2007, by the beneficial owner, and (b) each beneficial owner has sole voting and investment power with respect to the shares shown.
- (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) 28,082,385 shares of Common Stock issued and outstanding (excluding treasury shares) on February 15, 2007, and (ii) 23,922 shares still to be issued in connection with the 1993 conversion of the Company's 9% Convertible Subordinated Notes.
- (3) In a Schedule 13G under the Securities Exchange Act of 1934 dated February 14, 2007 and filed by Snyder Capital Management, L.P. ( "SCMLP" ) and Snyder Capital Management, Inc. ( "SCMI" ), SCMLP and SCMI reported that it has shared voting power over 2,229,200 shares and shared dispositive power over 2,483,510 shares. SCMLP and SCMI have reported the shares as beneficially owned as a result of acting as an investment advisor. SCMI and its direct parent company, IXIS Asset Management North America, L.P. (formerly known as CDC IXIS Asset Management North America, L.P.) operate under an understanding that all investment and voting decisions regarding managed accounts are to be made by SCMI and SCMLP and not by IXIS Asset Management North America or any entity controlling it. Accordingly, SCMI and SCMLP do not consider IXIS Asset Management North America or any entity controlling it to have any direct or indirect control over the securities held in managed accounts.

**EXECUTIVE OFFICERS OF THE REGISTRANT**

The following table lists the officers of the Company:

| Name                 | Age | Office  |
|----------------------|-----|---|
| James A. Mack*       | 69  | Chairman of the Board of Directors, President and Chief Executive Officer |
| Luke M. Beshar*      | 48  | Executive Vice President, Strategy & Corporate Development                |
| Robert J. Congiusti* | 53  | Vice President, Information Technology                                    |

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|                    |    |   |
|--------------------|----|---|
| Mary E. Fletcher   | 45 | Assistant General Counsel and Assistant Corporate Secretary   |
| Anup Gupta         | 42 | Vice President, Financial Planning and Treasurer  |
| Steven M. Klosk*   | 49 | Executive Vice President, Chief Operating Officer & President, Pharmaceutical Products and Services |
| Melissa M. Lesko   | 45 | Vice President, Human Resources   |
| Paolo Russolo*     | 62 | President, Profarmaco Milano  |
| Gregory P. Sargen* | 41 | Vice President & Chief Financial Officer  |
| Charles W. Silvey  | 48 | Vice President, Internal Audit  |
| Peter E. Thauer*   | 67 | Senior Vice President, Law & Environment, General Counsel and Corporate Secretary                   |

\* Executive Officer

The Company's executive officers are elected by the Board of Directors and serve at the Board's discretion.

*Mr. Mack* joined Cambrex in February 1990 and was reappointed President and Chief Executive Officer of Cambrex in February 2006. Mr. Mack had retired as President and Chief Executive Officer in August 2004. He joined the Company as President and Chief Operating Officer and was appointed to the position of President and Chief Executive Officer in April 1995. Mr. Mack has been a director of the Cambrex Board of Directors since joining the Company in 1990 and was appointed Chairman of the Board of Directors in October 1999. Prior to joining Cambrex, Mr. Mack was Vice President in charge of the worldwide Performance Chemicals business of Olin Corporation. Mr. Mack was Executive Vice President of Oakite Products, Inc. from 1982 to 1984. Prior to joining Oakite, he held various positions with The Sherwin-Williams Company, most recently as President and General Manager of the Chemicals Division from 1977 to 1981. Mr. Mack is a past Chairman of the Board of Governors of the Synthetic Organic Chemical Manufacturing Association and is a member of the Board of Trustees of the Michigan Tech Alumni Fund.

*Mr. Beshar* joined Cambrex in December 2002 and currently serves in the role of Executive Vice President, Strategy & Corporate Development. He joined the Company as Senior Vice President and Chief Financial Officer and in February 2004 was appointed to Executive Vice President and Chief Financial Officer. He was appointed to his current position in February 2007. Prior to joining Cambrex, Mr. Beshar was Senior Vice President and Chief Financial Officer with Dendrite International. Prior to Dendrite, he was Executive Vice President, Finance and Chief Financial Officer for Exp@nets, Inc. from 1998 through 2002. Mr. Beshar has served as Chief Financial Officer for other businesses in his career and has been the President and Chief Financial Officer of a company privately owned by Merrill Lynch Capital Partners. Mr. Beshar is a member of the Board of Directors of PNY Technologies, Inc.

*Mr. Congiusti* joined Cambrex in September 1994 and currently serves in the role of Vice President, Information Technology. He joined the Company as Director, Information Services and was appointed to his current position in November 1998. Prior to joining the Company, he held various senior information systems management positions from 1984 to 1994 at International Specialty Products and American Cyanamid Company.

*Ms. Fletcher* joined Cambrex in September 1992 and currently serves in the role of Assistant General Counsel and Assistant Corporate Secretary. She joined the Company as Associate Counsel. Ms. Fletcher was appointed Senior Counsel in January 1997 and Assistant General Counsel in May 2000. She was appointed to her current role in November 2005. Prior to joining Cambrex, Ms. Fletcher was with the New Jersey Department of Environmental Protection from 1985 to 1989, serving in various environmental compliance and enforcement roles.

*Mr. Gupta* joined Cambrex in October 2003 and currently serves as Vice President, Financial Planning and Treasurer. He joined the Company as Director, Financial Planning and Analysis and was appointed Director, Finance in September 2005. In February 2006, he was promoted to his current position. Prior to joining Cambrex, Mr. Gupta was with Satyam Computer Services as Vice President, Automotive Vertical Business Unit from 2002 to 2003. From 1987 to 2002, he worked in various capacities at Planet One, Scient, Trilogy, The Boston Consulting Group and Andersen Consulting (now known as Accenture).

*Mr. Klosk* joined Cambrex in October 1992 and currently serves in the role of Executive Vice President, Chief Operating Officer & President, Pharmaceutical Products and Services. Mr. Klosk joined the Company as Vice President, Administration. He was appointed Executive Vice President, Administration in October 1996 and was promoted to the position of Executive Vice President, Administration and Chief Operating Officer for the Cambrex Pharma and Biopharmaceutical Business Unit in October 2003. In January 2005, Mr. Klosk 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 his current position. From 1988 until he joined Cambrex, Mr. Klosk was Vice President, Administration and Corporate Secretary for The Genlyte Group, Inc. From 1985 to 1988, he was Vice President, Administration for Lightolier, Inc., a subsidiary of The Genlyte Group, Inc.

*Ms. Lesko* joined Cambrex in August 1995 and currently serves in the role of Vice President, Human Resources. She joined Cambrex as Manager, Human Resources and was promoted to the position of Director,

Compensation, Staffing and Development in October 2001. In October 2004, she was promoted to her current position. Prior to joining Cambrex, Ms. Lesko held various human resources management positions at The Genlyte Group, Inc. and RCA Records.

*Dr. Russolo* is President, Profarmaco Milano and joined the Company in 1994 with the acquisition of Profarmaco Nobel S.r.l. in Milan Italy, where he served as Managing Director since 1982. Dr. Russolo joined Profarmaco Nobel S.r.l. in 1971. Upon the acquisition of Profarmaco Nobel S.r.l., Dr. Russolo continued serving in the role of Managing Director until 2000, when he was appointed to President, Cambrex Profarmaco Business Unit. Upon the completion of the sale of the Landen facility Dr. Russolo assumed his current position.

*Mr. Sargen* joined Cambrex in February 2003 and has served as Vice President and Chief Financial Officer since February 2007. Mr. Sargen previously held the position of Vice President, Finance. Previously, he was with Exp@nets, Inc. from 1999 through 2002, serving in the roles of Executive Vice President, Finance/Chief Financial Officer and Vice President/Corporate Controller. From 1996 to 1998, he was with Fisher Scientific International's Chemical Manufacturing Division, serving in the roles of Vice President, Finance and Controller. Mr. Sargen has also held various positions in finance, accounting and audit with Merck & Company, Inc., Heat and Control, Inc., and Deloitte & Touche.

*Mr. Silvey* joined Cambrex in August 2004 as Vice President, Internal Audit. Prior to joining the Company, he was with Automatic Data Processing (ADP) from 2002 to 2004 as Vice President, Financial and Operational Audit. From 1998 to 2002, he was with Lucent Technologies, most recently in the role of Chief Financial Officer, Americas Lucent Worldwide Services. From 1995 to 1998, he was with CR Bard, Inc., serving in various finance and audit roles. From 1990 to 1995, he was with KPMG Peat Marwick LLP as Audit Manager.

*Mr. Thauer* joined Cambrex in August 1989 and currently serves in the role of Senior Vice President, Law and Environment, General Counsel, and Corporate Secretary. He joined the Company as General Counsel and Corporate Secretary and was appointed Vice President, Law and Environment in December 1992. He was appointed to his current position in January 2001. From 1987 until 1989, he was Counsel to the business and finance group of the firm of Crummy, Del Deo, Dolan, Griffinger and Vecchione. From 1971 to 1987, Mr. Thauer held various positions with Avon Products, Inc., including U.S. Legal Department Head and Corporate Assistant Secretary.

**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, 2007, by (i) each director and nominee for election as a director, (ii) each of the executive officers named in the Summary Compensation Table (below) and (iii) all directors and executive officers of the Company as a group.

| <b>Beneficial Owners</b>                                     | <b>Shares<br/>Beneficially<br/>Owned(1)</b> | <b>Percent of<br/>Class(2)</b> |
|--|---|--------------------------------|
| David R. Bethune   | 4,000(3)                                    | *                              |
| Rosina B. Dixon, M.D.  | 28,846(4)                                   | *                              |
| Roy W. Haley   | 32,402(5)                                   | *                              |
| Kathryn Rudie Harrigan                                       | 33,885(6)                                   | *                              |
| Leon J. Hendrix, Jr.   | 42,055(7)                                   | *                              |
| Ilan Kaufthal  | 49,108(8)                                   | *                              |
| William B. Korb  | 31,812(9)                                   | *                              |
| James A. Mack  | 594,690(10)                                 | 2.12%                          |
| John R. Miller   | 24,273(11)                                  | *                              |
| Peter Tombros  | 22,660(12)                                  | *                              |
| Luke M. Beshar   | 260,398(13)                                 | *                              |
| Thomas N. Bird   | 128,474(14)                                 | *                              |
| Steven M. Klosk  | 233,380(15)                                 | *                              |
| Gary L. Mossman  | 302,643(16)                                 | 1.08%                          |
| Paolo Russolo  | 64,176(17)                                  | *                              |
| All Directors and Executive Officers as a group (20 Persons) | 2,082,626(18)                               | 7.42%                          |

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

- (1) Except as otherwise noted, reported share ownership is as of February 15, 2007. 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) 28,082,385 shares of Common Stock issued and outstanding (excluding treasury shares) on February 15, 2007, (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, 2007, and (iii) 23,922 shares still to be issued in connection with the 1993 conversion of the Company's 9% Convertible Subordinated Notes.
- (3) The number of shares reported is 4,000 shares issuable upon exercise of options granted under the Company's 1998 Stock Option Plan and 2004 Incentive Plan.
- (4) The number of shares reported includes 14,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans.

- (5) The number of shares reported includes 18,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans and 14,402 share equivalents held at February 15, 2007 in the Company's Directors' Deferred Compensation Plan.
- (6) The number of shares reported includes 12,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans.
- (7) The number of shares reported includes 19,500 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans and 16,555 share equivalents held at February 15, 2007 in the Company's Directors' Deferred Compensation Plan.

- (8) The number of shares reported includes 19,500 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans.
- (9) The number of shares reported includes 18,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 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 12,812 share equivalents held at February 15, 2007 in the Company's Directors' Deferred Compensation Plan.
- (10) The number of shares reported includes 338,133 shares issuable upon exercise of options granted under the Company's Stock Option Plans, 32,798 restricted stock units, 101,989 share equivalents held at February 15, 2007 in the Company's Deferred Compensation Plan and 494 shares held December 31, 2006 in the Company's Savings Plan.
- (11) The number of shares reported includes 18,000 shares issuable upon exercise of options granted under the Company's 1996, 1998, 2001 and 2004 stock option Plans.
- (12) The number of shares reported includes 12,000 shares issuable upon exercise of options granted under the Company's 1996, 1998, 2001 and 2004 stock option Plans and 9,660 share equivalents held at February 15, 2007 in the Company's Directors' Deferred Compensation Plan.
- (13) The number of shares reported includes 230,000 shares issuable upon exercise of options granted under the Company's Stock Option Plans, 29,317 restricted stock units and 1,081 shares held at December 31, 2006 in the Company's Savings Plan.
- (14) The number of shares reported includes 119,000 shares issuable upon exercise of options granted under the Company's Stock Option Plans and 8,188 restricted stock units.
- (15) The number of shares reported includes 145,700 shares issuable upon exercise of options granted under the Company's Stock Option Plans, 29,101 restricted stock units, 9,520 shares held at December 31, 2006 in the Company's Savings Plan, and 49,059 share equivalents held at February 15, 2007 in the Company's Deferred Compensation Plan.
- (16) The number of shares reported includes 279,500 shares issuable upon exercise of options granted under the Company's Stock Option Plans, 21,680 restricted stock units and 1,254 shares held at December 31, 2006 in the Company's Savings Plan.
- (17) The number of shares reported includes 30,000 shares issuable upon exercise of options granted under the Company's Stock Option Plans and 18,423 restricted stock units.
- (18) The number of shares reported includes 1,390,100 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days, 162,927 restricted stock units, 20,230 shares held at December 31, 2006 in the Company's Savings Plan, 53,429 share equivalents held at February 15, 2007 in the Director's Deferred Compensation Plan and 232,429 share equivalents held at February 15, 2007 in the Company's Deferred Compensation Plan. Shares held by immediate family members are not included and beneficial ownership of such shares is disclaimed.



**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**

The Board of Directors of the Company is currently divided into three classes. The term of office of the directors in Class II expires at this Annual Meeting with the terms of office of the directors in Class III and Class I ending at successive Annual Meetings. At this Annual Meeting four (4) directors in Class II will be elected to hold office until the 2010 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 plurality of the votes cast. Abstentions and broker non-votes will not be counted in connection with the election of directors. A properly executed proxy marked "Withhold" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated. The following sets forth with respect to the four persons who have been nominated by the Board of Directors for election at this Annual Meeting and the other directors of the Company 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 of Directors recommends a vote FOR the election of the Nominees.**

**Nominees for Election to Serve as Directors Serving  
until the 2010 Annual Meeting (Class II)**

*Rosina B. Dixon, M.D. (age 64).* Director since 1995. Chairperson of the Compensation Committee and Member of the Regulatory Affairs Committee of the Board of Directors. Dr. Dixon has been Sr. Director, Global Pharmacovigilance and Epidemiology at Sanofi-Aventis, Bridgewater, NJ since September 2006. 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 is a member of the Board of Directors of Church & Dwight Co., Inc.

*Roy W. Haley (age 60).* Director since 1998. Chairman of the Audit Committee of the Board of Directors and Audit Committee Financial Expert. Chairman, President and Chief Executive Officer of WESCO International, Inc. (NYSE), an electrical products distribution company. Prior to joining WESCO in 1994, served as President and Chief Operating Officer of American General Corporation, one of the nation's largest consumer financial services organizations. Began his career in 1969 with the management consulting division of Arthur Andersen & Co. and served as a partner from 1980 until 1988. Director of United Stationers, Inc. (NASDAQ), the Federal Reserve Bank of Cleveland and civic organizations generally based in Western Pennsylvania.

*Leon J. Hendrix, Jr. (age 65).* Director since 1995. Chairman of the Governance Committee and Member of the Compensation Committee of the Board of Directors. Chairman of Remington Arms Co. since December 1997 and from December 1997 until April 1999 was also Chief Executive Officer. From 1993 to 2000, Mr. Hendrix was a Principal of Clayton, Dubilier & Rice, Inc., a private investment firm. Prior thereto, Mr. Hendrix was with Reliance Electric Company, a manufacturer and seller of industrial and telecommunications equipment and services, since 1973, where he held a series of executive level positions, most recently Chief Operating Officer and a member of the Board of Directors since 1992. Mr. Hendrix is a member of the Board of Directors of Keithley Instruments, Inc. He is also Chairman of the Clemson University Board of Trustees.

*Ilan Kaufthal (age 59)*. Director since the Company commenced business in 1981. Member of the Regulatory Affairs Committee of the Board of Directors. Vice Chairman of Investment Banking at Bear, Stearns & Co., Inc. since joining that firm in May 2000. Until 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. Director of United Retail Group, Inc.

**Directors Serving until the 2008 Annual Meeting (Class III)**

*William B. Korb (age 66).* Director since 1999. Member of the Audit and Chairman of the Regulatory Affairs Committees of the Board of Directors. Director, President and Chief Executive Officer since 1987 of Marconi Commerce Systems, Inc., formerly Gilbarco Inc., prior to his retirement on March 1, 2001. Prior to joining Gilbarco, the world's leading gasoline pump and dispenser manufacturing company, was an Operating Vice President of Reliance Electric Company, a position he held from 1979 to 1987. Currently serves on the Board of Premier Farnell plc.

*James A. Mack (age 69).* Director since 1990, President and Chief Operating Officer of the Company since joining the Company in February 1990 and Chief Executive Officer since 1995. Appointed Chairman of the Board of Directors in October 1999. In August 2004 Mr. Mack retired as President and Chief Executive Officer and became Executive Chairman of the Board of Directors. In December 2005 Mr. Mack was named Acting President and Chief Executive Officer and on February 1, 2006 he was elected as President and Chief Executive Officer. Prior thereto Mr. Mack was with Olin Corporation, a manufacturer of chemical and other products, since 1984 as Vice President, Specialty Chemicals and, more recently, Vice President, Performance Chemicals. Executive Vice President of Oakite Products, Inc. from 1982 to 1984. Prior to joining Oakite held various positions with The Sherwin-Williams Company, most recently as President and General Manager of the Chemicals Division from 1977 to 1981. Past Chairman of the Board of Governors of the Synthetic Organic Chemical Manufacturing Association. Member of the Board of Trustees of the Michigan Tech Alumni Fund and serves on the Board of Directors of Research Corporation Technologies Inc.

*John R. Miller (age 69).* Director since 1998. Lead Director, Member of the Compensation and Governance Committees of the Board of Directors. Mr. Miller currently serves as Chairman of the Board of SIRVA, Inc. and Chairman of the Board of Graphic Packaging Corporation. He is also a Director of Eaton Corporation, Past Director and Chairman of the Federal Reserve Bank of Cleveland. Mr. Miller served with The Standard Oil Company as a Director, President and Chief Operating Officer from 1980 until 1986. From 2000 to 2003, he was Chairman and Chief Executive Officer of Petroleum Partners, Inc., a provider of outsourcing services to the petroleum industry.

*Peter Tombros (age 64).* Director since 2002. Member of the Audit and Governance Committees of the Board of Directors. Professor, Distinguished Executive in Residence, Eberly College of Science, Pennsylvania State University. Former Chairman of the Board and Chief Executive Officer of VivoQuest, a private biopharmaceutical company from 2001 until 2005. Served as President and Chief Executive Officer from 1994 to 2001 of Enzon Pharma. Before joining Enzon, spent 25 years with Pfizer, Inc. as Vice President of Marketing, Senior Vice President and General Manager and as Executive Vice President of Pfizer Pharmaceuticals, Inc. He also served as Vice President Corporate Strategic Planning, Chairman of the Board of Directors of Alpharma, Inc. Director of NPS Pharmaceuticals, Dendrite International, Protalex and PharmaNet Development Group, Inc.

**Directors Serving until the 2009 Annual Meeting (Class I)**

*David R. Bethune (age 66).* Director since June 2005. Member of the Compensation and Governance Committees of the Board of Directors. Retired Chairman and Chief Executive Officer of Atrix Laboratories, a drug delivery and product development company, where he has been a director of the company for the past ten years. Prior to Atrix Laboratories, he was President and Chief Operating Officer of IVAX Corporation, a pharmaceutical company. Before joining IVAX, began a start-up pharmaceutical company venture formed by Mayo Medical Ventures, a business unit of Mayo Clinics of Rochester. He previously served as group Vice President of American Cyanamid Company and a member of the Executive Committee where he had executive authority for human biologicals, consumer health products, pharmaceuticals and ophthalmics as well as global medical research. He was also President of the Lederle

Laboratories Division of American Cyanamid Company and President of GD Searle's North American operations in the 1980's. He currently serves on the Boards of Zila Incorporated and Female Health Company.

*Kathryn Rudie Harrigan (age 55)*. Director since 1994. Member of the Audit Committee of the Board of Directors. Since 1981, Professor, Management of Organizations Division of the Columbia University Business School, and, since 1993, the Henry R. Kravis Professor of Business Leadership at Columbia University Business School.

## **Transactions with Related Persons**

One of the members of our Board of Directors, Mr. Ilan Kaufthal, is a Vice Chairman of Bear Stearns & Co. Inc. ( Bear Stearns ). Pursuant to an engagement letter dated September 19, 2005, as amended October 22, 2006 (the Engagement Letter ), Cambrex, upon authorization of the Board of Directors, retained Bear Stearns to act as its exclusive financial advisor in connection with the consideration by the Board of Directors of the Company s strategic alternatives, including the process leading to the signing of the Stock Purchase Agreement with Lonza Group Limited announced on October 24, 2006 with respect to the Company s Bio Companies Businesses, which transaction closed on February 6, 2007 (the Transaction ). The Engagement Letter provided for the payment of a customary fee for Bear Stearns services, a substantial portion of which was contingent on successful consummation of the Transaction. In addition, Cambrex agreed to indemnify Bear Stearns against certain liabilities arising out of the engagement. Bear Stearns received \$4,156,336.74 (including \$231,336.74 of out of pocket expenses) in connection with its services in relation to the Transaction.

In selecting Bear Stearns, our Board of Directors considered, among other things, the fact that Bear Stearns is an internationally recognized investment banking firm with substantial experience advising companies in the health care products and services industry and companies in the chemicals and industrial products and services industry, as well as substantial experience providing strategic advisory services. Although Mr. Kaufthal is a Vice Chairman of Bear Stearns, the Board of Directors concluded that Bear Stearns familiarity with the Company and its business segments and the industries in which the Company conducts business made Bear Stearns the logical and appropriate choice as financial advisor. In light of Mr. Kaufthal s dual roles, the Board of Directors also authorized the Company to retain a second bank to render, in addition to Bear Stearns, an opinion to the Board of Directors with respect to the consideration to be received by the Company in any transaction for which Bear Stearns served as the Company s financial advisor. Mr. Kaufthal abstained from the Board of Directors vote related to the approval of the Transaction.

As previously announced, the Company will continue to evaluate strategic opportunities for the Human Health business as they arise and the Company will continue using Bear Stearns as financial advisor to Cambrex with respect to the evaluation of any such opportunities.

## **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 policies on Business Ethics 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 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, 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, 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.

## **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's securities, to file reports of ownership and transactions in the Company's securities with the Securities and Exchange Commission and the New York Stock Exchange. Such directors, executive officers and ten percent stockholders are also required to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms received by it, and on written representation from certain of the Company's directors and executive officers that no other reports were required, the Company believes that during 2006 all Section 16(a) filing requirements applicable to its directors, executive officers and ten percent stockholders were complied with during the 2006 fiscal year except that Mr. Mossman filed one Form 4 late, reporting a transaction in Company stock.

## CORPORATE GOVERNANCE

The Board of Directors 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 required. During 2006 the Board held 17 meetings. Directors are expected to attend board 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 conference telephone or other communications equipment is allowed, personal attendance is encouraged. Nine directors attended the Company's annual meeting of stockholders in July of 2006.

Our Board has affirmatively determined, after considering all of the relevant facts and circumstances, that all of the directors, other than James A. Mack and Ilan Kaufthal, 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 January 2004 and is attached to this proxy statement as Exhibit 1. 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 our Board as required by the listing standards of the New York Stock Exchange. The Board of Directors 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.

Under the retirement policy for non-employee directors established by the Board of Directors in 1989, a non-employee director (other than incumbent directors when the policy was adopted) must not have attained age 72 at the time of election and may not serve as a director beyond the Annual Meeting next following such person's 72nd birthday.

Non-management 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. The Lead Director of these executive sessions is John R. Miller.

*Shareholder 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. In January 2004, the Board approved the following process by which such communications may be made and for handling any such communications received by the Company:

Any stockholder or interested person may communicate with the Company's non-management directors as a group by sending a communication to the Board of Directors, 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 does not relate to the business or affairs of the Company, or the function of the Board or its Committees, or relates to insignificant matters that do not warrant the non-management directors' attention or 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 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. 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***

The Regulatory Affairs Committee, comprised of three non-management directors, oversees the Company's compliance with Food and Drug Regulations and environmental and safety affairs. The Regulatory Affairs Committee held four meetings during 2006.

### ***Governance Committee***

The Governance Committee, comprised of four independent directors, is responsible for reporting to the Board of Directors concerning its evaluation of the performance of the Chief Executive Officer, individual directors and the Board as a whole. The Governance Committee makes recommendations to the Board of Directors concerning nominees for election to the Board at Annual Stockholder Meetings and candidates for newly created directorships and vacancies on the Board. The Charter of the Governance Committee has been adopted by the Committee and approved by the Board. All of the members of the Governance Committee are independent within the meaning of the listing standards of the New York Stock Exchange and the Company's *Independence Standards for Directors*. The Governance Committee held two meetings in 2006.

### ***Consideration of Director Nominees***

#### ***Director Qualifications***

The Company's *Corporate Governance Guidelines* set forth Board membership criteria. Under these criteria, members of the Board should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the stockholders. Their skills and backgrounds 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. 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. Directors should not serve on more than four other boards of public companies in addition to the Cambrex Board. 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. In the event that vacancies are anticipated, or otherwise arise, the Governance Committee considers various candidates for director. 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, 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. Such recommendations for the 2008 Annual Meeting should be sent to the Corporate Secretary of the Company not later than January 26, 2008, and should include such information as specified in the Company's By-Laws.

*Audit Committee*

The Audit Committee consists of four independent directors. The Board has determined that each member of the Audit Committee is (i) independent within the meaning of the Securities and Exchange Commission Rules and the New York Stock Exchange (NYSE) listing standards and the Company's *Independence Standards for Directors*, and (ii) satisfies the financial literacy requirements of the NYSE listing standards. Further, the Board has determined that at least one member of the Audit Committee satisfies the financial expertise requirements of the NYSE listing standards. The Board has also determined that Mr. Roy Haley, Audit Committee Chairperson 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 auditors' 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 auditors are responsible for auditing those financial statements. The Audit Committee acts under a written charter adopted by the Committee and approved by the Board.

The Audit Committee met 12 times in 2006. The Audit Committee met individually with Management, with PricewaterhouseCoopers LLP ( PwC ), the Company's independent public accountants, and with the Company's internal auditors, as appropriate. The Audit Committee also reviewed and had discussions with Company Management and PwC regarding the audited financial statements, including a discussion of accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. Further, the Audit Committee has been updated quarterly on management's process to assess the adequacy of the Company's system of internal control over financial reporting, the framework used to make the assessment, and management's conclusions on the effectiveness of the Company's internal control over financial reporting. The Audit Committee has also discussed with the independent auditor the Company's internal control assessment process, management's assessment with respect thereto and the independent auditor's evaluation of the Company's system of internal control over financial reporting.

The Audit Committee also reviewed and had discussions with PwC regarding the matters required to be discussed by Statement of Auditing Standards No. 61. Further, the Audit Committee received the letter from PwC required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and has discussed with representatives of PwC their independence.

The Committee also received PwC's Report dated March 15, 2007 concerning the Company's financial statements and PwC's assessment of the Company's internal controls (the PwC Opinion ), which is included in the Company's Annual Report on Form 10-K for fiscal year ended December 31, 2006. Based on the reviews and discussions with PwC and Management, and the PwC Opinion, and subject to the limitations on the role and responsibilities of the Audit Committee as set forth in the Audit Committee Charter, the Audit Committee recommended to the Board, and the Board approved, that the audited financial statements for the fiscal year ended December 31, 2006 be included in Cambrex's 2006 Annual Report on Form 10-K.

**AUDIT COMMITTEE**  
**Roy W. Haley, Chairperson**  
**Kathryn Rudie Harrigan**  
**William B. Korb**  
**Peter G. Tombros**

*Compensation Committee*

The Compensation Committee, comprised of four 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. Each member of the Committee meets the independence requirements specified by the New York Stock Exchange, by Section 162(m) of the Internal Revenue Code of 1986, as amended

and within the meaning of the Company's *Independence Standards for Directors*. Each year the Committee develops a calendar-year annual schedule for the coming year. The Chair reports the Committee's actions and recommendations to the full Board following each Committee meeting. The Committee held six meetings during 2006.

The Charter of the Compensation Committee has been adopted by the Committee and approved by the Board. The Committee's charter is to work with executive management in developing a compensation philosophy; to evaluate and approve compensation and bonus programs for the Chief Executive Officer, other officers, subsidiary general managers and those employees, whose salary is greater than \$175,000 per year. The Committee also oversees the Company's general employee benefit programs, including the Company's employee equity plans. At its July 2006 meeting the Committee reviewed and discussed its own performance for the prior year in order to benefit from self-evaluation and encourage continuous improvement. For its self-evaluation the Committee referred to materials provided by the Governance Committee. The Committee conducts these reviews annually.

### **Compensation Committee Interlocks and Insider Participation**

The members of the Compensation Committee during 2006 were Rosina B. Dixon, David R. Bethune, Leon J. Hendrix, Jr. and John R. Miller, each of whom is a non-employee independent director.

### **Compensation Committee Report**

The Compensation Committee (the 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.

**COMPENSATION COMMITTEE**  
**Rosina B. Dixon, M.D., Chairperson**  
**David R. Bethune**  
**Leon J. Hendrix, Jr.**  
**John R. Miller**

### **COMPENSATION DISCUSSION AND ANALYSIS**

*The following discussion and analysis contains statements regarding future individual and company performance targets and goals. These targets and goals are disclosed in the limited context of Cambrex's compensation programs and should not be understood to be statements of management's expectations or estimates of results or other guidance. Cambrex specifically cautions investors not to apply these statements to other contexts.*

### **Cambrex's Executive Compensation Program Philosophy**

Cambrex seeks to be a leading supplier of products and services to the pharmaceutical industry, providing superior return to its owners. To meet these objectives, Cambrex strives to attract, motivate and retain high-quality executives with the requisite skills and abilities to enable the Company to achieve superior results. Accordingly, the Company's compensation programs are designed to provide compensation commensurate with performance and to reward above average performance and provide incentive opportunity to be competitive for talent in the labor markets in which the Company participates. In furtherance of these goals, the Committee obtained independent advice and assistance from Steven Hall & Partners and Frederic W. Cook & Co., Inc. as well as internal assistance from the Company's Human Resources department and internal legal counsel. Compensation recommendations are initiated by the President and Chief Executive Officer for recommendation, discussion and decision by the Committee. Overall, the Company has

designed its compensation program to:

support the corporate businesses by communicating what is expected of executives with regard to goals and results and by rewarding achievement;

recruit, motivate and retain executive talent; and

create a strong performance alignment with the interests of stockholders.

The Company seeks to fulfill these objectives through three key compensation elements:

base salary;

performance based annual incentive awards, with two-thirds of the annual target payable in cash when corporate financial objectives are met and one-third of the annual target payable in restricted stock units with a three-year holding period when individual, strategic objectives are met. The Committee may, in its discretion, increase or decrease awards and may alter the balance between the cash and restricted stock portions of the award. In early February 2007 the Compensation Committee approved a revised annual bonus plan under which an award is based 60% on an improvement in EBITDA and 40% on the achievement of individual objectives;

grants of long-term equity compensation in the form of stock options and restricted stock units with multi-year vesting periods;

retirement and other benefits; and

perquisites.

### *Elements of Executive Compensation*

*Base Salary.* In setting annual salaries the Committee's objective is to reflect individual job responsibilities, value to the Company, individual performance as contributing to improved financial results of the Company and the competitive nature of the labor market in which the Company competes. Salaries are generally reviewed annually. The Company uses independent salary surveys of its Peer Group (identified as the Pharmaceutical and Biotechnology Index ) as well as national compensation surveys prepared by Watson Wyatt Data Services, to assist in determining appropriate levels of compensation for each executive position. The Company targets annual executive salaries at the median levels in companies surveyed.

*Annual Incentive Awards.* Each year the Committee, in consultation with the President and Chief Executive Officer, set goals and objectives for the Company's executives. At year end the attainment of results, measured against the executives' goals and objectives, is reviewed by the Compensation Committee subsequent to review and recommendation from the President and Chief Executive Officer. Executives are rewarded for accomplishments that contribute to desired results, including sales, net income, earnings per share, return on capital employed and other assigned goals including service and quality improvement, product and marketing development, technology development, and personnel development.

The Company's annual executive incentive compensation award program is designed to provide a better than average (as compared to the Peer Group) individual award when the Company's financial performance is improved and its long-range prospects are enhanced. This program currently includes individual measurements against agreed upon annual operating and financial goals and longer-term strategic growth objectives. Under this program two-thirds of the award pool is based on annual operating and financial goals for the Company and is generally paid in cash, while the remaining one-third is based on individual strategic, longer-term growth objectives and is generally awarded in the form of restricted stock units vesting in equal portions over three years and having a three-year holding period. The

Committee may in its discretion apportion the aggregate award pool between cash and stock and may increase or reduce individual awards. Financial and individual performance is assessed by the Committee and awards are approved at its regular meeting in January.

*Long-Term Incentive Awards.* Long-term compensation for executives includes Company stock option grants and the award of restricted stock units with a multi-year holding period. Eligibility for awards is based on an individual's position in the Company and the executive's performance. These awards are generally granted annually at the Committee's July meeting. The exercise price is set based on the mean between the highest and lowest publicly traded share price on the date of the award by the Committee. Options granted to the Company's key employees in 2006, including those individuals named in the Summary Compensation Table (below), are typically



exercisable based on the passage of time. During 2005, all unvested stock options, including those granted in 2005, were fully vested by the Committee as of December 31, 2005, resulting in an acceleration of proforma compensation expense. The Company imposed holding periods that required executives to refrain from selling shares acquired upon the exercise of these options. In November 2006 these holding periods were removed for all officers and employees.

*Retirement Benefits.* Retirement benefits for US employees are based on an employee's years of service and compensation for such years. Compensation for the purposes of the computation of these retirement benefits, includes regular compensation, bonuses and overtime, but excludes income attributable to fringe benefits and perquisites. The retirement benefit earned for a given year of service is calculated by multiplying the participant's compensation for the year by 1% and adding to that amount 0.6% of such compensation in excess of the participant's social security covered compensation. Similar amounts are calculated for each year of service and are aggregated to obtain the annual retirement benefit, subject to the limitations imposed by the Employee Retirement Income Security Act of 1974 and related regulations (ERISA). For this purpose social security covered compensation is the 35-year average of the social security wage bases ending with the wage base for the year in which the participant reaches age 65.

Although compensation includes the items mentioned above, the Company's qualified non-contributory pension plan (the Qualified Plan) limits the maximum amount of compensation which may be taken into account for the purposes of calculating benefits to the ERISA limit, which was \$220,000 during 2006. Because of such limitation any compensation received by any of the Named Executive Officers which exceeds this amount will not be taken into account in the calculation of their benefits under the Qualified Plan. As a result the Company established a Supplemental Non-Qualified Pension Plan (Supplemental Plan), which became effective on January 1, 1994. The Supplemental Plan provides benefits based on compensation levels above the ERISA maximum compensation level. Employees hired after December 31, 2002 are not eligible to participate in the Qualified Plan or the Supplemental Plan.

*Savings Plan.* The Savings Plan is a tax-qualified retirement savings plan pursuant to which all Cambrex's U.S. based employees are able to contribute the lesser of up to 50% of their annual salary or the limit prescribed by the Internal Revenue Service to the Savings Plan on a before tax basis. The Company will match 100% of the first 3% of pay that is contributed to the Savings Plan and 50% of the next 3% of pay contributed. All employee contributions to the Savings Plan are fully vested on contribution; the Company match vests in 20% increments over a five year period of employment.

*Deferred Compensation Plan.* The Company has established a Non-qualified Deferred Compensation Plan for Key Executives, including the Named Executive Officers (the Deferred Plan). Under the Deferred Plan, officers and key employees may elect to defer all or any portion of their pre-tax annual bonus and/or annual base salary (other than the minimum required Social Security contributions plus \$10,000). The deferred amount is invested in Fidelity Mutual Funds available under the Cambrex Savings Plan. The Deferred Plan is not funded by the Company, but the Company has established a Deferred Compensation Trust Fund to protect the account balance in the case of a change of control of the Company. The Plan is administered in compliance with the new rules and guidance under IRC Section 409A.

*Perquisites and Other Benefits.* The Committee provides benefits to the Company's executive officers, including an automobile allowance, a supplemental retirement benefit and the eligibility to participate in the non-qualified deferred compensation plan.

*Retention Awards.* In early 2006 the Company announced that the Board of Directors had decided that the Company would consider all available strategic alternatives. In connection with such decision in February 2006, the Board approved a number of measures designed to enhance the retention of certain employees and executive officers, including each Named Executive Officer. With respect to the Named Executive Officers, the Board approved a special retention pool, in the total amount of up to \$2.5 million, to retain the services of each Named Executive Officer and

certain other Executive Officers. Payment under such retention pool was to be apportioned in the President and Chief Executive Officer's discretion and dependent on the achievement of certain strategic objectives. Under this retention pool, Mr. Mossman received an aggregate award of \$600,000, Messrs. Beshar and Klosk each received an award of \$600,000, and Dr. Russolo received an award of \$200,000. Mr. Mossman's entire

award was paid in 2006. \$100,000 of Messrs. Beshar's and Klosk's award was paid in 2006. The balance of Messrs. Beshar's and Klosk's awards and Dr. Russolo's entire award was paid upon the completion of the sale of the Company's Bioproducts and Biopharma businesses to the Lonza Group Limited.

On December 19, 2006, the Committee approved new retention programs designed to enhance executive and employee retention following the completion of the sale of the Company's Bioproducts and Biopharma businesses to the Lonza Group Limited. The retention program applicable to executive officers of the Company, including each Named Executive Officer consists of a pool of \$1.5 million, subject to a 15% increase or decrease in the size of such pool as determined by the Company's President and Chief Executive Officer. Under this retention program Mr. Beshar will receive a retention award of \$200,000 provided he remains with the Company until March 30, 2007, and an additional award thereafter of \$33,333 per month he remains with the Company until September 30, 2007. Mr. Klosk will receive an award of \$400,000 if he remains with the Company until September 30, 2007, and Dr. Russolo will receive an award of \$400,000 if he remains with the Company until December 31, 2007.

*Management Contracts and Programs.* At a meeting held on January 26, 1995, the Board of Directors authorized an agreement with Mr. Mack pursuant to which he entered into a consulting arrangement with the Company upon his resignation or retirement as an employee at an annual rate of \$100,000. The Company later restated this arrangement and entered into two agreements with Mr. Mack at the prior rate, the first providing for consulting services while he is able to provide such services and the second providing an additional retirement benefit for the remainder of his lifetime following his incapacity.

At its July 27th, 2000 meeting and based on the Compensation Committee's recommendation, the Board adopted the 2000 Succession Planning Incentive Program to ensure effective succession planning and transition. Under the Program Mr. Mack was awarded 175,000 Incentive Appreciation Units at the traded closing price of the Company's common stock on the date of the award. With the departure of the Company's Chief Operating Officer early in 2003, Mr. Mack agreed to remain with the Company for an additional two year period. At its May 21, 2003 meeting and considering Mr. Mack's commitment to continue for a two year period, and based on the Compensation Committee's recommendation, the Board adopted a new Incentive Appreciation Unit Plan for Mr. Mack replacing the Plan adopted in 2000. Under the new plan, 150,000 stock appreciation rights were awarded to Mr. Mack valued initially at the closing price of the Company's traded share price on the date of the award which was \$19.30. Upon a finding by the Board that a successful management transition has occurred, the vested award would be exercisable on and after December 31, 2004, if the Company's common stock traded at or above an average price of \$25 per share for twenty consecutive days prior to December 31, 2004, representing an increase of more than 29% over the grant price. During 2004 the stock traded above \$25 per share for more than twenty consecutive days and the award vested. At a meeting held on January 27, 2005 the Company's Board of Directors, based on the hiring of John R. Leone as President and Chief Executive Officer and his performance during his first five months with the Company, determined that a successful management transition had occurred. Thereafter, Mr. Mack was entitled to exercise the award in whole or in part and receive in cash from the Company the difference between the grant price and the traded share price on the date of exercise times the number of units exercised. The award was due to expire on the earlier of (i) December 31, 2007, or (ii) a date one year after Mr. Mack's retirement from active service, which occurred on April 27, 2005. On February 1, 2006, the Board of Directors extended the expiration date of Mr. Mack's award to December 31, 2006, due to his election as President and Chief Executive Officer.

Effective November 10, 2006, the Company entered into a one year Consulting Agreement with Mr. Gary L. Mossman, former Chief Operating Officer, under which Mr. Mossman will be paid \$10,000 per month plus expenses and will perform the services related to development projects for the Company's Human Health segment. Mr. Mossman received \$40,000 in 2006 pursuant to such agreement.

#### **Tax Considerations (Policy Regarding Section 162(m))**

The Company's policy on the tax deductibility of compensation is to maximize deductibility to the extent possible without negating all of its discretionary power. To this end the Company has submitted complying plans for stockholder approval. Nevertheless, the Committee has occasionally taken actions that result in non-deductible compensation and it may do so again in the future when the Committee determines that such actions are in the Company's best interests.

**COMPENSATION OF EXECUTIVE OFFICERS****Summary Compensation Table**

The following table shows for the fiscal year 2006 the compensation awarded or paid to, or earned by the Named Executive Officers. When setting total compensation for each of the Named Executive Officers, the Committee reviews the executives' current compensation, including equity and non-equity based compensation.

The amounts listed under Non-Equity Incentive Plan Compensation, and a portion of the amounts listed under Stock Awards, were reviewed and approved by the Compensation Committee at its meeting on January 25, 2007. These amounts were paid out in cash shortly thereafter. At that time, The Committee also approved awards in the form of Restricted Stock Units vesting in equal portions over a three year period and also having a three year holding period. The Restricted Stock Units granted on January 25, 2007 are not listed on the table as the expense associated with these grants was not recognized in 2006.

The bonus amounts listed below for Messrs. Beshar, Mossman, and Klosk reflect retention amounts linked to the Company's Strategic Alternatives Initiative described above. The bonus amount for Mr. Bird is based on his efforts in divesting the Company's subsidiaries located in Cork, Ireland and Landen, Belgium.

**Summary Compensation Table**

| Principal             | Year | Salary<br>(\$) | Bonus<br>(\$) | Stock<br>Awards<br>(\$) | Option<br>Awards<br>(\$) | Non-Equity<br>Incentive<br>Plan<br>Compensation<br>(\$) | Change in<br>Pension<br>Value and<br>Non-<br>qualified<br>Deferred<br>Compensation<br>Earnings<br>(\$) | All<br>Other<br>Compensation<br>(\$) | C  |
|-----------------------|------|----------------|---------------|-------------------------|--------------------------|---|--|--------------------------------------|----|
| ck<br>resident        | 2006 | 458,333        | \$ 0          | \$ 229,687(1)           | \$ 510,598(2)            | \$ 586,425  | \$ 21,866(3)   | \$ 94,574(4),(5)                     | \$ |
| ve                    |      |                |               |                         |                          |   |  |                                      |    |
| nar<br>/CFO           | 2006 | \$ 382,000     | \$ 100,000    | \$ 155,569(6)           | \$ 7,190(7)              | \$ 364,053  | \$ 29,201(8)   | \$ 21,576(4),(9)                     | \$ |
| man<br>/COO           | 2006 | \$ 284,667     | \$ 600,000    | \$ 5,107(10)            | 0(10)                    | \$ 209,972  | \$ 0   | \$ 68,483(11)                        | \$ |
|                       | 2006 | \$ 253,000     | \$ 500,000    | \$ 43,241(12)           | \$ 2,960(13)             | \$ 160,759  | \$ 129,052(14)   | \$ 21,576(4),(9)                     | \$ |
| osk<br>stration<br>ma | 2006 | \$ 358,333     | \$ 100,000    | \$ 116,031(15)          | \$ 7,190(16)             | \$ 286,452  | \$ 45,932(17)  | \$ 21,576(4),(9)                     | \$ |

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mbrex

2006 \$ 337,665 \$ 71,565 \$ 115,163(19) \$ 7,190(20) \$ 226,461 \$ 0

- (1) In July 2006, Mr. Mack was awarded 6,667 restricted stock units (RSUs) with a fair value of \$21.39 per share, which will cliff vest three years from the grant date. Mr. Mack was awarded 7,065 RSUs in January 2003, 7,825 in January 2004 and 17,529 in January 2005, all of which vest in equal portions over a three-year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year. In January 2007, Mr. Mack was awarded 8,602 RSUs with a fair value of \$186,565 as part of his 2006 incentive award. RSUs granted in 2007 are not reflected in this table as expense was not recognized in 2006.
- (2) In July 2006, Mr. Mack was awarded 16,667 stock option shares with a fair value of \$8.12 per share, which will vest 25% per year over a four year period. On November 2, 2006 and November 9, 2006, Mr. Mack exercised 100,000 and 50,000 stock appreciation rights, respectively, which had been awarded in May 2003. This column reflects the dollar amounts recognized for financial statement reporting purposes with respect to the fiscal year.
- (3) The aggregate change in the actuarial present value of Mr. Mack's accumulated benefit under all defined benefit pension plans for 2006 was \$21,866.
- (4) Includes \$9,900 attributable to Company contributions under the Company's Savings Plan.

- (5) Mr. Mack retired as President and Chief Executive Officer on April 27, 2005. After his retirement, he provided consulting services and served as a non-employee director to Cambrex, for which he was paid \$8,333 in consulting fees and \$5,666 in Non-Employee Director's fees, which amounts are included in All Other Compensation. He was rehired as President and Chief Executive Officer in 2006. All Other Compensation also includes \$43,703 automobile allowance, a \$13,280 dividend payment on RSUs held in trust, and a SERP distribution of \$13,692 that was paid to Mr. Mack during his retirement in 2006.
- (6) In July 2006, Mr. Beshar was awarded 3,400 RSUs with a fair value of \$21.39 per share, which will cliff vest three years from the grant date. Mr. Beshar was awarded 3,521 RSUs in January 2004, 7,551 in January 2005, and 8,437 in January 2006, all of which vest in equal portions over a three-year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year. In January 2007, Mr. Beshar was awarded 9,929 RSUs with a fair value of \$215,340 as part of his 2006 incentive award. RSUs granted in 2007 are not reflected in this table as expense was not recognized in 2006.
- (7) In July 2006, Mr. Beshar was awarded 8,500 stock option shares with a fair value of \$8.12 per share, which will vest 25% per year over a four year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year.
- (8) The aggregate change in the actuarial present value of Mr. Beshar's accumulated benefit under all defined benefit pension plans for 2006 was \$26,201.
- (9) Includes \$11,676 automobile allowance.
- (10) Mr. Mossman retired in August 2006 and thereafter provided consulting services to the Company. All stock Options and RSUs granted in July 2006 were forfeited upon retirement. Mr. Mossman was awarded 1,956 RSUs in January 2004, which were two-thirds vested upon his retirement. The remaining one-third was forfeited upon retirement. Mr. Mossman was awarded 5,663 RSUs in January 2005, which were one-third vested upon his retirement. The remaining two-thirds were forfeited upon retirement.
- (11) Includes \$40,000 in consulting fees, \$7,784 automobile allowance and \$20,699 in unused vacation paid upon retirement.
- (12) In July 2006, Mr. Bird was awarded 1,400 RSUs with a fair value of \$21.39 per share, which will cliff vest three years from the grant date. Mr. Bird was awarded 583 RSUs in January 2003, 782 in January 2004, 2,160 in January 2005, and 2,258 in January 2006, all of which vest over a three-year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year. In January 2007, Mr. Bird was awarded 2,370 RSUs with a fair value of \$51,400 as part of his 2006 incentive award. RSUs granted in 2007 are not reflected in this table as expense was not recognized in 2006.
- (13) In July 2006, Mr. Bird was awarded 3,500 stock option shares with a fair value of \$8.12 per share, which will vest 25% per year over a four year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year.
- (14) The aggregate change in the actuarial present value of Mr. Bird's accumulated benefit under all defined benefit pension plans for 2006 was \$129,052.
- (15) In July 2006, Mr. Klosk was awarded 3,400 RSUs with a fair value of \$21.39 per share, which will cliff vest three years from the grant date. Mr. Klosk was awarded 3,128 RSUs in January 2003, 3,130 in January 2004,

4,159 in January 2005, and 6,669 in January 2006, all of which vest in equal portions over a three-year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year. In January 2007, Mr. Klosk was awarded 8,583 RSUs with a fair value of \$186,150 as part of his 2006 incentive award. RSUs granted in 2007 are not reflected in this table as expense was not recognized in 2006.

- (16) In July 2006, Mr. Klosk was awarded 8,500 stock option shares with a fair value of \$8.12 per share, which will vest 25% per year over a four year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year.
- (17) The aggregate change in the actuarial present value of Mr. Klosk's accumulated benefit under all defined benefit pension plans for 2006 was \$45,932.
- (18) Dr. Russolo is based in Italy and is paid in Euro. Currency was converted to US \$ using the exchange rate that was in effect as of December 29, 2006.



(19) In July 2006, Dr. Russolo was awarded 3,400 RSUs with a fair value of \$21.39 per share, which will cliff vest three years from the grant date. Dr. Russolo was awarded 1,128 RSUs in January 2003, 2,347 in January 2004, 4,354 in January 2005, and 7,529 in January 2006, all of which vest in equal portions over a three-year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year. In January 2007, Dr. Russolo was awarded 6,540 RSUs with a fair value of \$141,833 as part of his 2006 incentive award. RSUs granted in 2007 are not reflected in this table as expense was not recognized in 2006.

(20) In July 2006, Dr. Russolo was awarded 8,500 stock option shares with a fair value of \$8.12 per share, which will vest 25% per year over a four year period. This column reflects the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year.

**Grant of Plan-Based Awards Table**

The following table contains information concerning each grant of an award made to each of the Named Executive Officers for the 2006 fiscal year under any plan:

**Grants of Plan-Based Awards 2006**

|      | Grant Date             | Estimated Future Payouts Under Non-Equity Incentive Plan Awards |            |            | Estimated Future Payouts Under Equity Incentive Plan Awards | All other Stock                                | All other Option                                    | Exercise or Base Price of Option Awards | Gross Dollar Value of Stock Options |
|------|------------------------|---|------------|------------|---|--|---|---|-------------------------------------|
|      |                        | Threshold   | Target     | Maximum    |   | Awards: Number of Shares of Stock or Units (#) | Awards: Number of Securities Underlying Options (#) |   |                                     |
| Mack | 7/27/2006              | \$ 187,500  | \$ 375,000 | \$ 750,000 |   | 6,667  |   | \$ 21.39                                | \$ 21.39                            |
|      | 1/26/2006<br>7/27/2006 | \$ 116,400  | \$ 232,800 | \$ 465,600 |   | 8,437<br>3,400                                 |   | \$ 21.71<br>\$ 21.39                    | \$ 181,800<br>\$ 72,540             |
| n(1) | 1/26/2006<br>7/27/2006 | \$ 131,100  | \$ 262,200 | \$ 524,400 |   | 10,661<br>3,400                                |   | \$ 21.71<br>\$ 21.39                    | \$ 231,500<br>\$ 72,540             |
|      | Bird                   | 1/26/2006<br>7/27/2006  | \$ 51,400  | \$ 102,800 | \$ 205,600  |  | 2,258<br>1,400                                      |   | \$ 21.71<br>\$ 21.39                |
| A.   |                        | 1/26/2006<br>7/27/2006  | \$ 109,500 | \$ 219,000 | \$ 438,000  |  | 6,669<br>3,400                                      |   | \$ 21.71<br>\$ 21.39                |
|      | Russolo                | 1/26/2006<br>7/27/2006  | \$ 92,593  | \$ 185,185 | \$ 370,370  |  | 7,529<br>3,400                                      |   | \$ 21.71<br>\$ 21.39                |

- (1) On January 26, 2006, Mr. Mossman was awarded 10,661 restricted stock units (RSUs) and on July 27, 2006, he was awarded 3,400 RSUs and 8,500 stock option shares. These grants were subsequently forfeited upon his retirement in August 2006.

**Outstanding Equity Awards At Fiscal Year-End**

The following table discloses information regarding unexercised options, stock that has not vested and equity incentive plan awards for each Named Executive Officer outstanding as of December 31, 2006.

**Outstanding Equity Awards at Fiscal Year End 2006**

| Name               | Option Awards   |  |                              |                        | Stock Awards  |   |   |   |   |
|--------------------|---|--|------------------------------|------------------------|---|---|---|---|---|
|                    | Number of Securities Underlying Unexercised Options (#) | Equity Incentive Plan Awards: No. of Securities Underlying Unexercised Options (#) | Unearned Exercise Price (\$) | Option Expiration Date | No. of Shares or Underlying Units of Stock that Have Not Vested | Market Value of Unearned Shares or Units of Stock that Have Not Vested (\$) | Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Other Rights That Have Not Yet Vested (\$) | Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Other Rights That Have Not Yet Vested (\$) | Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Other Rights That Have Not Yet Vested (\$) |
| James A. Mack      | 14,000  | 0  | 0                            | \$ 27.5630             | 7/23/2008   | 6,667   | \$ 151,474  | 0   | 0   |
|                    | 100,000   | 0  | 0                            | \$ 43.6250             | 5/25/2010   | 11,686  | \$ 265,506  | 0   | 0   |
|                    | 30,839  | 0  | 0                            | \$ 34.7500             | 10/26/2010  | 2,608   | \$ 59,261   | 0   | 0   |
|                    | 32,612  | 0  | 0                            | \$ 42.8700             | 4/26/2011   |   |   |   |   |
|                    | 19,934  | 0  | 0                            | \$ 41.2900             | 4/25/2012   |   |   |   |   |
|                    | 136,248   | 0  | 0                            | \$ 37.0700             | 7/25/2012   |   |   |   |   |
|                    | 0   | 16,667   | 0                            | \$ 21.3900             | 7/27/2013   |   |   |   |   |
| Luke M. Beshar     | 230,000   | 0  | 0                            | \$ 29.7500             | 12/5/2009   | 1,174   | \$ 26,673   | 0   | 0   |
|                    | 0   | 8,500  | 0                            | \$ 21.3900             | 7/27/2013   | 5,034   | \$ 114,372  | 0   | 0   |
|                    |   |  |                              |                        |   | 3,400   | \$ 77,248   | 0   | 0   |
|                    |   |  |                              |                        |   | 8,437   | \$ 191,689  | 0   | 0   |
| Gary L. Mossman(1) | 117,000   | 0  | 0                            | \$ 21.9025             | 8/31/2007   |   |   |   |   |
|                    | 21,055  | 0  | 0                            | \$ 25.3500             | 8/31/2007   |   |   |   |   |
|                    | 7,146   | 0  | 0                            | \$ 18.6750             | 8/31/2007   |   |   |   |   |
|                    | 125,000   | 0  | 0                            | \$ 25.8800             | 8/31/2007   |   |   |   |   |
| Thomas Bird(2)     | 50,000  | 0  | 0                            | \$ 22.0625             | 1/22/2008   | 261   | \$ 5,930  | 0   | 0   |

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|                 |        |       |   |            |           |       |            |   |   |
|-----------------|--------|-------|---|------------|-----------|-------|------------|---|---|
|                 | 5,000  | 0     | 0 | \$ 18.6750 | 4/24/2010 | 1,440 | \$ 32,717  | 0 | 0 |
|                 | 50,000 | 0     | 0 | \$ 43.6250 | 5/25/2010 | 1,400 | \$ 31,808  | 0 | 0 |
|                 | 7,000  | 0     | 0 | \$ 21.9025 | 8/23/2011 | 2,258 | \$ 51,302  | 0 | 0 |
|                 | 7,000  | 0     | 0 | \$ 20.7200 | 7/25/2012 |       |            |   |   |
|                 | 0      | 3,500 | 0 | \$ 21.3900 | 7/27/2013 |       |            |   |   |
| Steven M. Klosk | 80,000 | 0     | 0 | \$ 22.0625 | 1/22/2008 | 1,043 | \$ 23,705  | 0 | 0 |
|                 | 12,500 | 0     | 0 | \$ 18.6750 | 4/24/2010 | 2,773 | \$ 62,995  | 0 | 0 |
|                 | 50,000 | 0     | 0 | \$ 43.6250 | 5/25/2010 | 6,669 | \$ 151,520 | 0 | 0 |
|                 | 17,000 | 0     | 0 | \$ 21.9025 | 8/23/2011 | 3,400 | \$ 77,248  | 0 | 0 |
|                 | 17,000 | 0     | 0 | \$ 20.7200 | 7/25/2012 |       |            |   |   |
|                 | 0      | 8,500 | 0 | \$ 21.3900 | 7/27/2013 |       |            |   |   |
| Paolo Russolo   | 30,000 | 0     | 0 | \$ 43.6250 | 5/25/2010 | 782   | \$ 17,775  | 0 | 0 |
|                 | 0      | 8500  | 0 | \$ 21.3900 | 7/27/2013 | 2,903 | \$ 65,949  | 0 | 0 |
|                 |        |       |   |            |           | 7,529 | \$ 171,059 | 0 | 0 |
|                 |        |       |   |            |           | 3,400 | \$ 77,248  | 0 | 0 |

- (1) Mr. Mossman retired in August 2006. Upon retirement, all unvested RSUs were forfeited. All options will expire one year from his retirement.
- (2) Mr. Bird terminated his employment from Cambrex on February 28, 2007 to pursue other interests. Pursuant to his Employment Agreement, vesting and settlement of all unvested stock options and restricted stock units were accelerated upon his termination of employment. 14,000 stock option shares will expire on March 30, 2007,

50,000 stock option shares will expire on January 22, 2008 and 55,000 stock option shares will expire on February 28, 2008.

### Option Exercises and Stock Vested

The following table discloses each exercise of stock options and similar instruments, and each vesting of stock (including restricted stock, Stock Appreciation Rights, RSUs and similar instruments) during fiscal year 2006 for each Named Executive Officer:

#### Option Exercises and Stock Vested Table 2006

| Name            | Option Awards                             |                                 | Stock Awards                                |                                   |
|-----------------|---|---------------------------------|---|-----------------------------------|
|                 | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) | Number of Shares Acquired on Vesting (#)(1) | Value Realized on Vesting (\$)(1) |
| James A. Mack   | 250,000                                   | \$ 574,700                      | 10,806                                      | \$ 234,171                        |
| Luke M. Beshar  | 96,500                                    | \$ 238,310                      | 3,691                                       | \$ 79,749                         |
| Gary L. Mossman | 0   | \$ 0                            | 2,540                                       | \$ 54,810                         |
| Thomas Bird     | 0   | \$ 0                            | 1,175                                       | \$ 25,425                         |
| Steven M. Klosk | 0   | \$ 0                            | 3,472                                       | \$ 75,458                         |
| Paolo Russolo   | 126,500                                   | \$ 328,878                      | 2,610                                       | \$ 56,533                         |

(1) RSUs granted on January 23, 2003, January 22, 2004 and January 27, 2005 vest in one-third increments on each anniversary of the grant date, but remain subject to restrictions on sale until the third anniversary of each grant date. Although these shares have vested, they have not yet been acquired.

### Pension Benefits

The following table shows the pension benefits expected by the Named Executive Officers.

#### Pension Benefits Table 2006

| Name          | Plan Name                | Number of Years of Credited Service (#) | Present Value of Accumulated Benefits (\$) | Payments During Last Fiscal Year (\$) |
|---------------|--------------------------|---|--|---------------------------------------|
| James A. Mack | The Cambrex Pension Plan | 16                                      | \$ 421,181                                 | \$ 16,708                             |
|               |                          | 16                                      | \$ 1,846,181                               | \$ 13,692                             |

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|                    |  | Supplemental Executive Retirement Plan |    |         |      |
|--------------------|--|--|----|---------|------|
| Luke M. Beshar     | The Cambrex Pension Plan               | 4                                      | \$ | 36,283  | \$ 0 |
|                    | Supplemental Executive Retirement Plan | 4                                      | \$ | 48,481  | \$ 0 |
| Gary L. Mossman(1) | The Cambrex Pension Plan               | 9                                      | \$ | 211,050 | \$ 0 |
| Thomas Bird        | Supplemental Executive Retirement Plan | 9                                      | \$ | 216,190 | \$ 0 |
| Steven M. Klosk    | The Cambrex Pension Plan               | 14                                     | \$ | 151,086 | \$ 0 |
|                    | Supplemental Executive Retirement Plan | 14                                     | \$ | 293,662 | \$ 0 |
| Paolo Russolo(2)   |  |  |    |         |      |

(1) Mr. Mossman retired in August 2006. At the time of his retirement, he was not a participant in the Cambrex Pension Plan or the Supplemental Executive Retirement Plan.

(2) Dr. Russolo is not a participant in the Cambrex Pension Plan or the Supplemental Executive Retirement Plan.

**Non-Qualified Deferred Compensation**

The following table shows the Non-Qualified Deferred Compensation amounts earned by the Named Executive Officers during fiscal 2006:

**Nonqualified Deferred Compensation 2006**

| Name            | Executive                           | Registrant                             | Aggregate                      | Aggregate                             | Aggregate  |
|-----------------|-------------------------------------|--|--------------------------------|---------------------------------------|--|
|                 | Contributions<br>in Last FY<br>(\$) | Contributions<br>in Last<br>FY<br>(\$) | Earnings in<br>Last FY<br>(\$) | Withdrawals/<br>Distributions<br>(\$) | Balance<br>at Last Fiscal<br>Year<br>End<br>(\$) |
| James A. Mack   | \$ 150,661                          | \$ 0                                   | \$ 438,636.77                  | \$ 598,698                            | \$ 2,702,107                                     |
| Luke M. Beshar  | \$ 0                                | \$ 0                                   | \$ 7,393.89                    | \$ 0                                  | \$ 107,018                                       |
| Gary L. Mossman | \$ 27,522                           | \$ 0                                   | \$ 3,506.54                    | \$ 0                                  | \$ 100,317                                       |
| Thomas Bird     | \$ 0                                | \$ 0                                   | \$ 0                           | \$ 0                                  | \$ 0   |
| Steven M. Klosk | \$ 0                                | \$ 0                                   | \$ 198,930.38                  | \$ 0                                  | \$ 1,114,620                                     |
| Paolo Russolo   | \$ 0                                | \$ 0                                   | \$ 0                           | \$ 0                                  | \$ 0   |

**Executive Employment Agreements; Change of Control**

As previously disclosed in the Company's Proxy Statement for the 2006 Annual Meeting of Stockholders of Cambrex Corporation the Board of Directors agreed to award Mr. James A. Mack (President and Chief Executive Officer and Chairman of the Board of Directors) an incentive payment or payments totaling up to four times his annual salary of \$500,000 upon achievement of certain strategic objectives in connection with the Board of Directors' decision to change the Company's strategic focus and to consider all available strategic alternatives. Under this arrangement, Mr. Mack received an incentive payment of \$1,000,000, equal to twice his annual salary, upon completion of the sale of the Bio Companies Business to the Lonza Group. On February 5, 2007 the Board of Directors agreed to pay Mr. Mack an incentive payment of \$1,500,000 upon the achievement of certain further strategic alternatives; this award replaces the earlier remaining potential award of \$1,000,000.

The Company has entered into agreements with a number of executive officers, including each of the Named Executive Officers (except Mr. Mack, and on his retirement, Mr. Mossman's agreement terminated), with the objective of preserving management stability in the event of a threatened or actual change of control of the Company. These agreements become effective upon a change of control of the Company (the Effective Date), which 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 of Directors unless approved by the incumbent Board of Directors;
- (iii) 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;

(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 of Directors to constitute a change of control.

The phrase "sale of all or substantially all" is defined in the agreements as a sale or other disposition transaction involving assets of the Company, including stock of any of the Company's subsidiaries, in which the value of the assets or stock being sold or otherwise disposed of (as measured by the purchase price being paid) constitutes 35% or more of the enterprise value of the Company, defined as the aggregate market value of the Company's then outstanding stock (on a fully diluted basis) plus aggregate debt minus cash.

Following a change of control, the Company has agreed to employ the covered employees for a period of three years from the Effective Date (the "Employment Period") in a commensurate position at a location not more the



35 miles from the location at the time of such change of control at a monthly base salary equivalent to the employee's highest monthly base salary in the 12 months preceding such 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;
- (iii) habitual intoxication by alcohol or drugs during working hours; or
- (iv) conviction of a felony.

During the employment period, the covered employees may terminate employment for good reason, which is defined as:

- (i) an office relocation of more than 35 miles;
- (ii) a substantial reduction in base salary, benefits or perquisites;
- (iii) a substantial reduction in responsibilities, authorities or functions;
- (iv) a substantial change in work conditions; or
- (v) failure to require a successor to assume the Company's obligations under the agreement.

A good faith determination of good reason made by a covered employee will be conclusive. In addition, the employee may make a unilateral determination of termination for good reason with or without any change in employment conditions during the 30-day period immediately following the first anniversary of the Effective Date.

If a covered employee is terminated other than for death, disability or cause, or if a covered employee terminates for good reason, the Company shall pay to the employee within 30 days the following:

- (i) the employee's highest unpaid base salary through the date of termination; and
- (ii) a prorated bonus based on the employee's highest bonus earned during the prior three years; and
- (iii) the product of a fraction, the numerator of which is thirty-six less the number of months worked following the first anniversary of the Effective Date and the denominator of which is twelve, multiplied by the employee's highest annualized base salary; and
- (iv) the product of a fraction, the numerator of which is thirty-six less the number of months worked following the first anniversary of the Effective Date and the denominator of which is twelve, multiplied by the highest annual bonus earned by the employee during the prior three years; and
- (v) all previously deferred compensation plus any interest thereon and any accrued but unused vacation; and
- (vi) a lump sum payment calculated on an actuarial basis of pension credit forfeited for the balance of a three-year period due to the termination.

In addition, the Company shall continue all benefits to the covered employees for the balance of the Employment Period, and all outstanding equity awards shall vest and become exercisable upon termination of employment for good reason.

The change of control employment agreements also provide for a gross up of any taxes due under section [4999] [280G] of the Internal Revenue Code, and contain non-competition and non-disclosure of confidential information restrictions. In the event that any lump sum cash payment is required to be deferred due to section 409A of the Internal Revenue Code, such payments will accrue interest at the rate of prime plus 1%.

The sale of the Bio Companies pursuant to the Stock Purchase Agreement with Lonza constitutes a change of control for purposes of these change of control employment agreements described above.

*2007 Executive Employment Agreements; Change of Control*

The Board of Directors of Cambrex, upon recommendation of the Compensation Committee, approved Employment Agreements for Mr. Gregory P. Sargen who was appointed Vice President and Chief Financial Officer of Cambrex effective February 7, 2007 and Dr. Paolo Russolo, President, Cambrex Profarmaco Business Unit. Such employment agreements provide that in the event of a Change of Control Mr. Sargen would be awarded a two-year contract of employment at substantially the same salary, bonus and benefits as Mr. Sargen had prior to the start of such two year term and Dr. Russolo would be awarded a two-year contract of employment at substantially the same salary and bonus as Dr. Russolo had prior to the start of such two-year term. These Employment Agreements were filed as an Exhibit to the Company's Annual Report on Form 10-K for fiscal year-end December 31, 2006.

**Potential Payments upon Termination or Change-in-Control****James A. Mack**

| Payments and Benefits                          | Voluntary Termination Without Good Reason |                           | Voluntary Termination for Cause |                       | Termination Upon Death Disability Retirement |             |                   | Termination After Change-in-Control |
|--|---|---------------------------|---------------------------------|-----------------------|--|-------------|-------------------|-------------------------------------|
|  | Reason                                    | Termination Without Cause | Reason                          | Termination for Cause | Death  | Disability  | Retirement        |                                     |
| Cash Severance                                 | \$ 0                                      | \$ 500,000                | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 0                                |
| Pro Rata Bonus                                 | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 0                                |
| Stock Options/SARs                             | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 22,167                           |
| Restricted Stock/Deferred Stock Units          | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 476,241        | \$ 476,241                          |
| Performance-Based Equity Awards                | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 0                                |
| Health Care Benefits                           | \$ 0                                      | \$ 5,700                  | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 0                                |
| Pension Benefits                               | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | (1)               | \$ 0                                |
| Nonqualified Deferred Compensation             | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | (1)               | (2)                                 |
| Accrued Vacation Pay                           | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 0                                |
| Life Insurance Proceeds/Disability Benefits(3) | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 0                                |
| Other Perquisites                              | \$ 0                                      | \$ 47,676                 | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 0                                |
| Tax Gross-Up                                   | \$ 0                                      | \$ 0                      | \$ 0                            | \$ 0                  | \$ 0   | \$ 0        | \$ 0              | \$ 0                                |
| <b>Total</b>                                   | <b>\$ 0</b>                               | <b>\$ 553,376</b>         | <b>\$ 0</b>                     | <b>\$ 0</b>           | <b>\$ 0</b>                                  | <b>\$ 0</b> | <b>\$ 476,241</b> | <b>\$ 498,408</b>                   |

**Luke M. Beshar**

| Payments and Benefits                          | Voluntary Termination Without |                           | Voluntary Termination for Good Reason |                       | Termination Upon |            |            | Termination after Change-in-Control(5) |
|--|-------------------------------|---------------------------|---------------------------------------|-----------------------|------------------|------------|------------|--|
|  | Good Reason                   | Termination Without Cause | Good Reason                           | Termination for Cause | Death            | Disability | Retirement |  |
| Cash Severance                                 | \$ 0                          | \$ 388,000                | \$ 776,000                            | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 1,164,000                           |
| Pro Rata Bonus                                 | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 1,738,178                           |
| Stock Options/SARs                             | \$ 0                          | \$ 0                      | \$ 11,305                             | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 11,305                              |
| Restricted Stock/Deferred Stock Units          | \$ 0                          | \$ 0                      | \$ 409,982                            | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 409,982                             |
| Performance-Based Equity Awards                | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 0                                   |
| Health Care Benefits                           | \$ 0                          | \$ 8,556                  | \$ 17,112                             | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 25,668                              |
| Pension Benefits                               | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | (1)        | \$ 206,175                             |
| Nonqualified Deferred Compensation             | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | (1)        | (2)                                    |
| Accrued Vacation Pay                           | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 0                                   |
| Life Insurance Proceeds/Disability Benefits(3) | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 0                                   |
| Other Perquisites                              | \$ 0                          | \$ 11,676                 | \$ 23,352                             | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 321,301(4)                          |
| Tax Gross-Up                                   | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 1,958,257                           |
| Total  | \$ 0                          | \$ 408,232                | \$ 1,237,751                          | \$ 0                  | \$ 0             | \$ 0       | \$ 0       | \$ 5,834,866                           |

**Gary L. Mossman(6)**

| Payments and Benefits                 | Voluntary Termination Without |                           | Voluntary Termination for Good Reason |                       | Termination Upon |            |               | Termination after Change-in-Control |
|---------------------------------------|-------------------------------|---------------------------|---------------------------------------|-----------------------|------------------|------------|---------------|-------------------------------------|
|                                       | Good Reason                   | Termination Without Cause | Good Reason                           | Termination for Cause | Death            | Disability | Retirement    |                                     |
| Cash Severance                        | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0          | \$ 0                                |
| Pro Rata Bonus                        | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0          | \$ 0                                |
| Stock Options/SARs                    | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 209,972(6) | \$ 0                                |
| Restricted Stock/Deferred Stock Units | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0          | \$ 0                                |
| Performance-Based Equity Awards       | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0          | \$ 0                                |
| Health Care Benefits                  | \$ 0                          | \$ 0                      | \$ 0                                  | \$ 0                  | \$ 0             | \$ 0       | \$ 0          | \$ 0                                |

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|   |    |   |    |   |    |   |    |   |    |   |    |         |    |   |
|---|----|---|----|---|----|---|----|---|----|---|----|---------|----|---|
| Pension Benefits                            | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0       | \$ | 0 |
| Nonqualified Deferred Compensation          | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0       | \$ | 0 |
| Accrued Vacation Pay                        | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0       | \$ | 0 |
| Life Insurance Proceeds/Disability Benefits | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0       | \$ | 0 |
| Other Perquisites                           | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0       | \$ | 0 |
| Tax Gross-Up                                | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0       | \$ | 0 |
| Total                                       | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 209,972 | \$ | 0 |

## Thomas Bird(7)

| Payments and Benefits                          | Voluntary Termination Without |               | Involuntary Termination |                   | Voluntary Termination for |       |            | Termination Upon |                   | Termination After |
|--|-------------------------------|---------------|-------------------------|-------------------|---------------------------|-------|------------|------------------|-------------------|-------------------|
|  | Good Reason                   | Without Cause | Good Reason             | Termination Cause | Termination Cause         | Death | Disability | Retirement       | Change-In-Control |                   |
| Cash Severance                                 | \$ 0                          | \$ 192,750    | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 771,000        |                   |
| Pro Rata Bonus                                 | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 636,477        |                   |
| Stock Options/SARs                             | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 4,655          |                   |
| Restricted Stock/Deferred Stock Units          | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 154,473        |                   |
| Performance-Based Equity Awards                | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 0              |                   |
| Health Care Benefits                           | \$ 0                          | \$ 4,275      | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 17,100         |                   |
| Pension Benefits                               | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | (1)              | \$ 187,066        |                   |
| Nonqualified Deferred Compensation             | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | (1)              | \$ 0              |                   |
| Accrued Vacation Pay                           | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 0              |                   |
| Life Insurance Proceeds/Disability Benefits(3) | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 0              |                   |
| Other Perquisites                              | \$ 0                          | \$ 8,757      | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 198,634(4)     |                   |
| Tax Gross-Up                                   | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 795,513        |                   |
| Total  | \$ 0                          | \$ 205,782    | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 2,764,918      |                   |

## Steven M. Klosk

| Payments and Benefits                 | Voluntary Termination Without |               | Involuntary Termination |                   | Voluntary Termination for |       |            | Termination Upon |                      | Termination After |
|---------------------------------------|-------------------------------|---------------|-------------------------|-------------------|---------------------------|-------|------------|------------------|----------------------|-------------------|
|                                       | Good Reason                   | Without Cause | Good Reason             | Termination Cause | Termination Cause         | Death | Disability | Retirement       | Change-In-Control(5) |                   |
| Cash Severance                        | \$ 0                          | \$ 365,000    | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 1,095,000         |                   |
| Pro Rata Bonus                        | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 1,417,806         |                   |
| Stock Options/SARs                    | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 11,305            |                   |
| Restricted Stock/Deferred Stock Units | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 378,462           |                   |
| Performance-Based Equity Awards       | \$ 0                          | \$ 0          | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 0                 |                   |
| Health Care Benefits                  | \$ 0                          | \$ 8,856      | \$ 0                    | \$ 0              | \$ 0                      | \$ 0  | \$ 0       | \$ 0             | \$ 26,568            |                   |

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|  |    |   |    |         |    |   |    |   |    |   |    |   |     |    |         |            |
|--|----|---|----|---------|----|---|----|---|----|---|----|---|-----|----|---------|------------|
| Pension Benefits                               | \$ | 0 | \$ | 0       | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | (1) | \$ | 134,650 |            |
| Nonqualified Deferred Compensation             | \$ | 0 | \$ | 0       | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | (1) |    | (2)     |            |
| Accrued Vacation Pay                           | \$ | 0 | \$ | 0       | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$  | 0  | \$      | 0          |
| Life Insurance Proceeds/Disability Benefits(3) | \$ | 0 | \$ | 0       | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$  | 0  | \$      | 0          |
| Other Perquisites                              | \$ | 0 | \$ | 11,676  | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$  | 0  | \$      | 286,932(4) |
| Tax Gross-Up                                   | \$ | 0 | \$ | 0       | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$  | 0  | \$      | 1,585,983  |
| Total  | \$ | 0 | \$ | 385,532 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$  | 0  | \$      | 4,936,706  |

## Paolo Russolo(8)

|   | Voluntary<br>Termination<br>Without<br>Good<br>Reason | Involuntary<br>Termination<br>Without<br>Cause | Voluntary<br>Termination<br>for<br>Good<br>Reason | Termination<br>for Cause | Termination<br>Upon<br>Death | Termination<br>Upon<br>Disability | Retirement | Termination<br>After<br>Change-<br>in-Control(9) |
|---|---|--|---|--------------------------|------------------------------|-----------------------------------|------------|--|
| Cash Severance                                    | \$ 271,625  | \$ 614,747                                     | \$ 614,747  | \$ 614,747               | \$ 271,625                   | \$ 271,625                        | \$ 271,625 | \$ 675,330                                       |
| Pro Rata Bonus                                    | \$ 0  | \$ 174,881                                     | \$ 174,881  | \$ 174,881               | \$ 174,881                   | \$ 174,881                        | \$ 174,881 | \$ 728,110                                       |
| Stock Options/SARs                                | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 11,303  |
| Restricted<br>Stock/Deferred Stock<br>Units       | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 332,030                                       |
| Performance-Based<br>Equity Awards                | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 0   |
| Health Care Benefits                              | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 0   |
| Pension Benefits                                  | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 0   |
| Nonqualified Deferred<br>Compensation             | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 0   |
| Accrued Vacation Pay                              | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 0   |
| Life Insurance<br>Proceeds/Disability<br>Benefits | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 0   |
| Other Perquisites                                 | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 0   |
| Tax Gross-Up                                      | \$ 0  | \$ 0   | \$ 0  | \$ 0                     | \$ 0                         | \$ 0                              | \$ 0       | \$ 0   |
| Total   | \$ 271,625  | \$ 789,628                                     | \$ 789,628  | \$ 789,628               | \$ 446,506                   | \$ 446,506                        | \$ 446,506 | \$ 1,746,775                                     |

- (1) Pension and Nonqualified Deferred Compensation benefits have been fully disclosed in the Pension Benefits and Nonqualified Deferred Compensation table.
- (2) In accordance with the preliminary regulations of the JOBS Act of 2004, contributions (plus corresponding earnings) to the Nonqualified Deferred Compensation (NQDC) Plan in 2005 and later would be distributed upon a change in control. The Trustees of the Plan have the authority to prevent distributions for 2004 and prior years. Under the definition of the NQDC Plan, a change in control occurred in February 2007. Pursuant to the preliminary regulations of the JOBS Act of 2004, contributions and earnings for 2005 and later have been distributed to participants. The trustees of the Plan have determined that contributions for 2004 and prior years would not be distributed.
- (3) Life insurance and disability benefits paid to Named Executive Officers are provided generally to all salaried employees on a basis that does not discriminate in scope, terms or operation in favor of executive officers.
- (4) Upon a change in control, executives are entitled to automobile allowance and benefits comparable to what they would have received had their employment continued for up to 36 months, including continuation of basic life insurance and the equivalent value of the Company's Savings Plan match. In addition, pursuant to the



preliminary regulations of Section 409A of the Internal Revenue Code, lump sum change in control payments may be deferred for 6 months to avoid additional federal income tax. During the deferral period, an interest rate of prime plus 1% will accumulate on lump sum cash payments, which amounts are included in other perquisites.

- (5) Effective February 6, 2007, upon termination for any or no reason, whether due to death, disability, voluntary termination, Cause, involuntary termination, or otherwise, the employee or his estate shall be entitled to such payments and benefits.
- (6) Mr. Mossman retired in August 2006 and was ineligible for any payments upon separation as of August 31, 2006 and is no longer covered under a Change in Control Agreement. However, in January 2007, the Compensation Committee of the Board of Directors approved a special pro-rata bonus for Mr. Mossman in the amount of \$209,972, based on his performance in 2006 through his retirement.

- (7) Mr. Bird terminated his employment in February 2007 to pursue other interests. Upon his termination, he triggered his change in control payments, due to the sale of the Bio businesses on February 6, 2007.
- (8) Dr. Russolo is based in Italy and is paid in Euro. Currency was converted to US \$ using the exchange rate that was in effect as of December 29, 2006.
- (9) Dr. Russolo was not covered under a change in control agreement as of December 31, 2006. Effective February 7, 2007, Dr. Russolo entered into an employment agreement with the Company under which Dr. Russolo would be awarded certain payments upon a change in control agreement with the Company.

### COMPENSATION OF NON-EMPLOYEE DIRECTORS

The fiscal year 2006 compensation for non-employee directors consisted of an annual retainer of \$25,000 and the Chair of the Audit Committee received a further annual retainer of \$5,000. In addition, each non-employee director of the Company (i) will receive \$1,000 for each telephonic Board and Committee meeting attended, except that the Chairperson of the Compensation, Audit, Regulatory Affairs and Governance Committees will each receive \$1,500 for each telephonic Committee meeting chaired; (ii) will receive \$1,500 for each in-person Board and Committee meeting attended, except that the Chairperson of the Compensation, Audit, Regulatory Affairs and Governance Committees will each receive \$2,000 for each in-person Committee meeting chaired and the lead director shall receive \$2,000 for each Board meeting attended. Directors also receive reimbursement for expenses incurred in connection with meeting attendance. Employees of the Company who are also directors will not receive any separate fees for acting as directors.

Pursuant to the terms of the Non-Employee Director Program of the 1996, 1998, 2001, and 2003 Stock Option Plans and the 2004 Incentive Plan (the Plans), each new non-employee director shall be awarded an option to purchase 2,000 shares of the Company's Common Stock upon election as a director. The Plans further provide that each non-employee director will receive a grant of options to purchase 2,000 shares of Common Stock at the first meeting of the Board of Directors following each Annual Meeting of Stockholders of the Company. Each such option will have a per share exercise price equal to the fair market value of the Company's Common Stock on the date of grant. Options granted to non-employee directors shall be non-qualified options with a seven-year term. Each option will become exercisable six months after the date of grant, subject to acceleration upon a change in control.

The amount of cash retainer, meeting fees and Lead Director and Chair fees for each non-employee Board member received during fiscal 2006 are summarized in the table below. In addition the table below lists the date each Board member received stock option grants during fiscal 2006 and the fair market value of the option grant at the date of grant.

**Director Compensation Table 2006**

| Fees Earned     |              | Change in Pension Value and Non-Equity Nonqualified Incentive |                   |                       | All other Compensation | Total |
|-----------------|--------------|---|-------------------|-----------------------|------------------------|-------|
| or Paid in Cash | Stock Awards | Option Awards   | Plan Compensation | Deferred Compensation |                        |       |

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| <b>Name</b>            | <b>(\$)</b> | <b>(\$)</b> | <b>(\$)</b> | <b>(\$)</b> | <b>Earnings(1)</b> | <b>(\$)</b> | <b>(\$)</b> |
|------------------------|-------------|-------------|-------------|-------------|--------------------|-------------|-------------|
| David R. Bethune       | \$ 49,000   |             | \$ 16,240   |             |                    |             | \$ 65,240   |
| Rosina B. Dixon        | \$ 63,000   |             | \$ 16,240   |             |                    |             | \$ 79,240   |
| Roy W. Haley           | \$ 74,826   |             | \$ 16,240   |             |                    |             | \$ 91,066   |
| Kathryn Rudie Harrigan | \$ 61,000   |             | \$ 16,240   |             |                    |             | \$ 77,240   |
| Leon J. Hendrix, Jr.   | \$ 62,753   |             | \$ 16,240   |             |                    |             | \$ 78,993   |
| Ilan Kaufthal          | \$ 50,000   |             | \$ 16,240   |             |                    |             | \$ 66,240   |
| William B. Korb        | \$ 68,500   |             | \$ 16,240   |             |                    |             | \$ 84,740   |
| John R. Miller         | \$ 55,000   |             | \$ 16,240   |             |                    |             | \$ 71,240   |
| Peter G. Tombros       | \$ 64,000   |             | \$ 16,240   |             |                    |             | \$ 80,240   |
| James A. Mack(2)       | \$ 5,666    |             | \$          |             |                    |             | \$ 5,666    |

- (1) Directors may defer all or a portion of their fees in Company stock. Directors receive no preferential dividends on Company stock.
- (2) Mr. Mack served as a Non-Employee Director in January 2006 and was rehired by Cambrex as President, CEO & Chairman in February 2006.

Under the Non-Employee Directors' Deferred Compensation Plan (the "Deferred Compensation Plan") each non-employee Director may make an election to defer some or all of his or her cash remuneration for that year. Under the Deferred Compensation Plan, an unfunded deferred compensation bookkeeping account is established for each director who elects to defer cash remuneration otherwise payable during the year.

## **PROPOSAL NO. 2**

### **RATIFICATION OF APPOINTMENT OF AUDITORS**

#### ***New Independent Registered Public Accounting Firm***

On March 16, 2007, the Audit Committee of Cambrex Corporation (the "Company" or "Cambrex") selected BDO Seidman to be the Company's independent public accountants for 2007, subject to the completion of BDO Seidman's client acceptance procedures and ratification by the stockholders. A representative of BDO Seidman is expected to be present at the 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.

During the fiscal years ended December 31, 2006 and December 31, 2005, and through March 16, 2007, neither Cambrex nor anyone on its behalf consulted with BDO Seidman regarding any of the matters described in Item 304(a)(2)(i) and (ii) of Regulation S-K.

#### ***Previous Independent Registered Public Accounting Firm***

On March 16, 2007, the Audit Committee approved the decision to dismiss PricewaterhouseCoopers LLP ("PwC") as the Company's independent registered public accounting firm.

During the fiscal years ended December 31, 2006 and 2005, PwC's reports on the Company's financial statements did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principle.

During the fiscal years ended December 31, 2006 and December 31, 2005 and through March 16, 2007, there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PwC, would have caused PwC to make reference thereto in its reports on Cambrex's financial statements for such years.

Except as noted below, there were no reportable events, as defined in Item 304(a)(1)(v) of Regulation S-K for the fiscal years ended December 31, 2006 and 2005 and through March 16, 2007. The following material weakness in internal controls was disclosed by the Company in Item 9A of the Company's Form 10-K for the year ended December 31, 2005 and in the Item 4 sections of each of the Company's Forms 10-Q for 2006:

The Company's management identified a material weakness in its internal controls over the accounting for income taxes. As result of this material weakness, management concluded that the Company's internal controls over financial

reporting were not effective.

During 2006, management carried out an evaluation, with the participation of the Company's principal executive officer and principal financial officer, of changes in the Company's internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Based on this evaluation, management determined the material weakness had been remediated as of December 31, 2006 by implementing the following corrective actions:

Strengthened procedures whereby the current income tax payable account and deferred income tax asset and liability accounts are reconciled on a regular and timely basis;

Increased level of review and discussion of significant tax matters and supporting documentation with senior finance management;

Hired additional permanent personnel in the tax department; and

Identified interim personnel to augment existing corporate tax staff to ensure there are adequate resources to reconcile all tax-related accounts for each reporting period.

The Company has authorized PwC to respond fully to the inquiries of the successor accountant concerning the subject matter of this material weakness.

The Company has provided a copy of the above disclosure related to PwC and requested that PwC furnish the Company with a letter addressed to the United States Securities and Exchange Commission stating whether or not PwC agrees with this disclosure, and, if not, stating the respects in which it does not agree. A copy of PwC's letter is filed with the Definitive Proxy as Exhibit 16.1.

**The Board of Directors recommends a vote FOR the proposal.**

#### **PRINCIPAL ACCOUNTING FIRM FEES**

The following table sets forth the aggregate fees billed to Cambrex for each of the fiscal years ended December 31, 2006 and December 31, 2005, by the Company's independent public accounting firm, PricewaterhouseCoopers LLP for Audit, Audit-Related, Tax and All Other Fees:

|                    | <b>December 31,<br/>2006</b> | <b>December 31,<br/>2005</b> |
|--------------------|------------------------------|------------------------------|
| Audit Fees         | \$ 5,182,000                 | \$ 2,815,670                 |
| Audit-Related Fees | \$ 630,000                   | \$ 60,000                    |
| Tax Fees           | \$ 0                         | \$ 0                         |
| All Other          | \$ 0                         | \$ 0                         |
| <b>Totals</b>      | <b>\$ 5,812,000</b>          | <b>\$ 2,875,670</b>          |

#### **AUDIT FEES**

Aggregate Audit fees billed for professional services rendered by PricewaterhouseCoopers LLP in connection with its audit of the Company's financial statements were \$5,182,000 for fiscal year ended 2006. Aggregate Audit fees for fiscal year ended 2005 were \$2,915,670. Such fees also include PwC's internal control review and attestation now required pursuant to the Sarbanes-Oxley Act and the securities regulations.

#### **AUDIT-RELATED FEES**

Aggregate Audit-Related fees billed for professional services rendered by PricewaterhouseCoopers LLP in connection with assurance and related services reasonably related to the audit and review of the Company's financial statements were \$630,000 and \$60,000 for fiscal years-ended 2006 and 2005, respectively. Such services include the financial audits of the Company's employee benefit plans; due diligence services pertaining to an acquisition and other

commercial transactions; and general accounting, financial reporting and disclosure matters; and assistance with understanding and implementing new accounting and financial reporting guidance and internal control requirements.

**TAX FEES**

There were no Tax fees billed for professional tax services rendered by PricewaterhouseCoopers LLP for fiscal years ended 2006 and 2005.

### **ALL OTHER FEES**

PricewaterhouseCoopers LLP did not perform any services classified as Other Services during fiscal years-ended 2006 and 2005, and as such, there were no billings for such services.

#### ***Audit Committee Pre-Approval Policy***

In fiscal year 2003, the Audit Committee established a policy (the Policy ) for pre-approval of all audit and permissible non-audit services performed by the independent auditors. Under 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 auditor's 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 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 Committee Chairperson for permissible services and fees up to a maximum of \$25,000. The Committee Chairperson will report to the entire Audit Committee any services and fees approved pursuant to such delegation of authority.

During fiscal year 2006, all services rendered were pre-approved pursuant to the Policy. All Audit and Audit-Related fees were preapproved by the Audit Committee pursuant to the Policy, except for Audit Fees in the amount of \$631,000 which are subject to further review and approval by the Audit Committee. Further during fiscal years 2006 and 2005, there were no services performed or fees incurred by PricewaterhouseCoopers LLP where pre-approval was waived pursuant to the statutory de minimis exception.

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

### **PROPOSAL NO. 3**

#### **AMENDMENTS TO OUR RESTATED CERTIFICATE OF INCORPORATION**

Our Board of Directors, after careful consideration, has adopted and now recommends stockholder approval to declassify the Board of Directors and proposes the following amendments to our Restated Certificate of Incorporation to authorize:

annual election of all members of our Board of Directors;

stockholders to remove a director with or without cause by a majority vote of the then outstanding shares of common stock entitled to vote generally in the election of directors; and

removal of provisions requiring a supermajority vote of our common stock to effect certain amendments to our Restated Certificate of Incorporation and By-Laws.



As a result of continuing investor interest in issues relating to annual elections of directors, our Board of Directors has reviewed our Restated Certificate of Incorporation and determined to recommend to our stockholders the amendment of various provisions relating to the election and removal of members of the Board of Directors and to the vote required to amend certain provisions of our Restated Certificate of Incorporation and By-Laws. The amendments proposed below, if all are adopted, will permit the annual election of each member of the Board of Directors (after an appropriate phase-in period) and the removal of other ancillary provisions that implement the classified board structure.

At our 2006 annual meeting held on July 27, 2006, a stockholder proposal was submitted requesting that our Board of Directors take the necessary steps in accordance with applicable state law to declassify the Board of Directors so that all directors are elected annually, provided that such declassification be carried out in a manner that does not affect the unexpired terms of directors previously elected. The stockholder proposal received favorable votes from the holders of more than 80% of the shares of our common stock outstanding and voting at the 2006 annual meeting.

Our Board of Directors is committed to good corporate governance and, on several occasions, has considered the advantages and disadvantages of maintaining a classified board. In the past, our Board of Directors has concluded that a classified board structure was in the best interests of the Company and its stockholders. In light of the vote on the declassification proposal at the 2006 annual meeting and evolving corporate governance practices, our Board of Directors requested that the Governance Committee again consider the various positions for and against a classified board. Based on that review, the Governance Committee and the full Board of Directors have reconsidered the merits of retaining a classified board. The Board of Directors recognizes that many investors believe that the election of directors is the primary means for stockholders to influence corporate governance policies and hold management accountable for implementing those policies. The Board of Directors also takes note of the fact that annual elections of directors are in line with emerging corporate governance practices providing stockholders with the opportunity to register their views on the performance of the entire Board of Directors each year.

The Governance Committee consulted the Company's outside advisors when it considered the various positions for and against a classified board. Based upon the analysis and recommendation of the Governance Committee, the Board of Directors has concluded that amending our Restated Certificate of Incorporation to provide for the annual election of all directors (after an appropriate phase-in period) will be in the best interests of the Company and our stockholders.

Adoption of each proposed amendment requires the affirmative vote of the holders of at least two-thirds of our outstanding shares of common stock. Accordingly, both abstentions and broker non-votes with respect to any of these proposal amendments will count as votes against such proposed amendment. It is important to note that each proposal to amend our Restated Certificate of Incorporation will be voted upon separately, but that none of these proposals will be effectuated unless all are adopted by stockholders. If all the proposals to amend our Restated Certificate of Incorporation described in this proxy statement are approved, the Board of Directors then will adopt corresponding changes to the By-Laws.

The text of the proposed amendments to our restated Certificate of Incorporation is attached as Appendix A to this Proxy Statement, with deletions indicated by strikethroughs and additions indicated by underline. The discussion on the following pages regarding these proposals is qualified in its entirety by reference to Appendix A

**(a) Proposal to amend our Restated Certificate of Incorporation to declassify the Board of Directors and to authorize annual election of all members of the Board of Directors.**

Our Restated Certificate of Incorporation currently divides the Board of Directors into three classes of directors of approximately equal number. Directors are elected for three-year terms that are staggered among the three classes so that only one class is up for election at any annual meeting. If this proposal is approved, our Restated Certificate of Incorporation will provide that in future years, *as directors' current terms expire*, nominees for director will be elected for one-year terms at the annual meeting of stockholders.

If this proposal is approved by stockholders at the meeting:

the director nominees for Class II director, which Class' current term expires at the 2007 Annual Meeting, will, if elected at that meeting, serve until their term expires at the 2010 annual meeting of stockholders and would be subject to annual re-election thereafter.

Class III directors will continue to serve until their current terms expire at our 2008 annual meeting, at which time the Class III director nominees will be elected to serve one-year terms and will be subject to annual re-election thereafter.

Class I directors, who were elected at our 2006 annual meeting, will continue to serve until their current terms expire at our 2009 annual meeting, at which time the Class I director nominees will be elected to serve one-year terms and will be subject to annual re-election thereafter.

As noted above, immediately following the effectiveness of the proposed amendments to our Restated Certificate of Incorporation described in this Proxy Statement, the Board of Directors will amend our By-Laws to provide for corresponding changes to declassify the Board of Directors.

**The Board of Directors unanimously recommends a vote FOR the adoption of the amendment to our Restated Certificate of Incorporation to declassify the Board of Directors and to authorize annual election of the directors.**

**(b) Proposal to amend our Restated Certificate of Incorporation to remove the supermajority voting requirement for removal of a director for cause and to permit directors to be removed by stockholders with or without cause by a majority vote.**

Our Restated Certificate of Incorporation currently provides that removal of a director may only be for cause and that such removal requires the affirmative vote of the holders of at least two-thirds of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

If this proposal is approved, our Restated Certificate of Incorporation will be amended to provide that a director can be removed with or without cause by the holders of a majority of the shares of stock entitled to vote at an election of directors in accordance with the Delaware General Corporation Law. As noted above, immediately following the effectiveness of the proposed amendments to our Restated Certificate of Incorporation described in this Proxy Statement, the Board of Directors will amend the By-Laws to provide for corresponding changes.

**The Board of Directors unanimously recommends a vote FOR the adoption of the amendment to our Restated Certificate of Incorporation to remove the supermajority voting requirement for removal of a director for cause and to permit removal of a director with or without cause by a vote of the holders of a majority of the shares of stock entitled to vote at an election of directors.**

**(c) Proposal to amend our Restated Certificate of Incorporation to remove the supermajority voting requirement to alter, amend or repeal certain sections of our Restated Certificate of Incorporation and By-Laws.**

Our Restated Certificate of Incorporation currently provides that stockholders may alter, amend or repeal either (i) Article VI of our Restated Certificate of Incorporation (which Article deals with, among other items, the classified board, vacancies on the Board of Directors and removal of directors) or (ii) our By-Laws, whether or not adopted by stockholders, if holders of at least two-thirds of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors affirmatively vote to do so.

If this proposal is approved, our Restated Certificate of Incorporation will be amended to (i) delete the provision requiring a supermajority vote to alter, amend or repeal Article VI of our Restated Certificate of Incorporation and (ii) provide that our By-Laws may be altered, amended or repealed by the holders of a majority of the shares of stock entitled to vote at an election of directors. As noted above, immediately following the effectiveness of the proposed amendments to our Restated Certificate of Incorporation described in this Proxy Statement, the Board of Directors will amend the By-Laws to provide for corresponding changes.

**The Board of Directors unanimously recommends a vote FOR the adoption of the amendment to our Restated Certificate of Incorporation to remove the supermajority voting requirement to alter, amend or repeal certain sections of our Restated Certificate of Incorporation and By-Laws.**

**Amendment to the By-Laws to Provide for Majority Voting of Directors**

In addition, our Board of Directors has approved an amendment to our By-Laws to adopt a majority vote standard for the election of directors in uncontested elections, beginning with the next election of directors at our 2008 annual meeting. This new standard would require that each nominee receives a majority of the votes cast with

respect to that nominee in order to be elected. In other words, if the votes withheld from any nominee's election exceeds the vote in favor of such election, then the nominee would not be elected.

Contested elections (where there are more nominees than directors to be elected) will continue to use the plurality vote standard. Currently, in accordance with the Delaware General Corporation Law, directors are elected under a plurality vote standard, meaning that candidates in an uncontested election who receive the most votes would be elected, without regard to whether those votes constitute a majority of the shares of common stock voting at the meeting. In other words, all candidates for election in an uncontested election who receive any votes in favor of their candidacies will be elected, regardless of the number of votes withheld from their candidacies, so long as a quorum is present.

As is the case with the proposal to declassify our Board of Directors, our Board of Directors believes that a majority voting standard is in line with current trends in corporate governance and is appropriate for and in the best interests of the Company and its stockholders.

Under the Delaware General Corporation Law, if an incumbent director is not elected, that director continues to serve as a holdover director until the director's successor is duly elected and qualified. To address this potential outcome, our Board of Directors has also adopted a director resignation policy in our By-Laws. Under this policy, if an incumbent director is not elected by a majority of the votes cast (because the votes withheld from such director's candidacy exceed the votes in favor of that candidacy), that director will be required to offer his or her resignation to the Board of Directors. The Governance Committee would then make a recommendation to the Board of Directors on whether to accept or reject that resignation, or whether other action should be taken. The Board of Directors will publicly disclose its decision and the rationale behind it within 90 days following the certification of the election results.

## **STOCKHOLDER PROPOSALS FOR 2008**

Stockholder proposals intended to be presented at the 2008 Annual Meeting must be received by the Company not later than November 30, 2007 as well as satisfy certain eligibility requirements established by the Securities and Exchange Commission, in order to be included in the Company's Proxy Statement for the 2008 Annual Meeting.

Under the Company's By-laws, any stockholder wishing to present a nomination for the office of director before the 2008 Annual Meeting for a vote must give notice to the Company on or prior to January 26, 2008; and any stockholder wishing to bring a proposal or other business before the 2008 Annual Meeting for a vote must give the Company not less than 60 days nor more than 90 days advance notice (provided that in the event that less than 70 days notice or prior public disclosure of the date of the 2008 Annual Meeting is given or made to stockholders, notice must be received not later than the close of business on the 10th day following the date on which such notice of the date of the 2008 Annual Meeting was mailed or such public disclosure was made) prior to the date of the 2008 Annual Meeting (which date has not yet been determined by the Company), and that both such notices must meet certain other requirements as stated in the Company's By-laws. Any stockholder interested in making such a nomination or proposal should request a copy of such By-law provisions from the Secretary of Cambrex Corporation. If the Company does not receive notice of a stockholder's proposal within this time frame, the individuals named in the proxies solicited by the Board of Directors for that meeting may exercise discretionary voting power with respect to that proposal.

By Order of the Board of Directors.

Peter E. Thauer,  
Secretary

**UPON WRITTEN REQUEST THE COMPANY WILL PROVIDE TO EACH STOCKHOLDER, WITHOUT CHARGE, A COPY OF ITS ANNUAL REPORT TO THE SECURITIES AND EXCHANGE COMMISSION ON FORM 10-K FOR 2006. REQUESTS SHOULD BE DIRECTED TO MR. GREGORY SARGEN, VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, CAMBREX CORPORATION, ONE MEADOWLANDS PLAZA, 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.**

### Independence Standards for Directors

Pursuant to the New York Stock Exchange listing standards and the Sarbanes-Oxley Act of 2002, our Board of Directors has adopted a formal set of categorical standards with respect to the determination of director independence. To be considered independent for purposes of these standards, a director must be determined, by resolution of the Board as a whole, after due deliberation, to have no material relationship with the Company or its subsidiaries other than as a director. In each case, the Board shall broadly consider all relevant facts and circumstances and shall apply the following standards:

1. The Board has defined an independent director as a director who meets all of the following criteria:
  - a. is not currently an employee or member of management of the Company or any of its subsidiaries;
  - b. has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). For this purpose material relationships can, for example, include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships;
  - c. has no other relationships with the Company or its subsidiaries that would interfere in the exercise of independent judgment as a director;
  - d. does not accept any consulting, advisory, or other compensatory fee from the Company or its subsidiaries except fees received for service as a director, and has no personal services contract(s) with the Company or its subsidiaries;
  - e. is and is not affiliated with a company that is an adviser or consultant to the Company or its subsidiaries;
  - f. is not affiliated with a not-for-profit entity that receives significant contributions from the Company.
2. Any person who, or whose immediate family member(s), has within the prior three years had any of the following relationships with the Company does not qualify as an independent director.
  - a. Former Employees. A person who has been an employee, or whose immediate family member has been an executive officer, of the Company or its subsidiaries, cannot be an independent director until three years after the end of the employment.
  - b. Direct Compensation. A director who receives, or whose immediate family member receives, more than \$100,000 per year in direct compensation from the Company or its subsidiaries, other than director and committee fees, cannot be an independent director until three years after he ceases to receive more than \$100,000 per year in such compensation.
  - c. Significant Customers and Vendors. A director who is an executive officer or an employee of, or whose immediate family member is an executive officer of, a company that makes payments to, or receives payments from, the Company or its subsidiaries for property or services in excess of, in any single fiscal year, the greater of (i) \$1 million or (ii) 2% of the other company's consolidated gross revenues, cannot be an independent director until three years after falling below the threshold.
  - d. Former Auditor. A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company cannot



be an independent director until three years after the end of the affiliation or the auditing relationship.

e. Interlocking Directorships. A director who is employed as, or whose immediate family member is employed as, an executive officer of another company where any of the Company's present executive officers serve on that company's compensation committee cannot be an independent director until three years after the end of such service or the employment relationship.

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**PROPOSED AMENDMENTS TO THE RESTATED CERTIFICATE OF  
INCORPORATION OF CAMBREX CORPORATION**

*Article SIXTH of the Restated Certificate of Incorporation of the Company would be amended to read as follows:*

*SIXTH:* (a) Except as otherwise fixed by or pursuant to the provisions of Article FOURTH hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect additional directors under specified circumstances, the number of the directors of the Corporation shall be fixed from time to time by or pursuant to the By-Laws of the Corporation. **Subject to the provisions of this Article SIXTH below, until the 2010 annual meeting of stockholders when the following classification shall cease, the** directors, other than those who may be elected by the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, shall be classified, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as possible, as shall be provided in the manner specified in the By-Laws of the Corporation, one class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1988, another class to hold office initially for a term expiring at the annual meeting of stockholders in 1989, and another class to hold office initially for a term expiring at the annual meeting of stockholders to be held in 1990, with the members of each class to hold office until the successors are elected and qualified. At each annual meeting of the stockholders of the Corporation **until the 2008 annual meeting of stockholders,** the successors of the class of directors whose term expires at that meeting shall be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. **Directors elected at and after the 2008 annual meeting of stockholders 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.**

(b) Advance notice of stockholder nominations for the election of directors shall be given in the manner provided in the By-Laws of the Corporation.

(c) Except as otherwise provided for or fixed by or pursuant to the provisions of Article FOURTH hereof relating to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the directors or the sole director then remaining in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office **until the next succeeding annual meeting of stockholders following such director s election** and until such director s successor shall have been elected and qualified, **including in circumstances where such director s predecessor was elected to a longer term.** No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(d) Subject to the rights of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances, any director may be removed from office, **with or without** cause, by the affirmative vote of the holders of a majority of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

(e) Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Except as otherwise required by law and subject to the rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, special meetings of stockholders of the

Corporation may be called only by the Chairman of the Board or President or the Board of

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Directors pursuant to a resolution approved by a majority of the entire Board of Directors or as otherwise provided in the By-Laws of the Corporation.

(f) In furtherance and not in the limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter, amend or repeal the By-Laws of the Corporation, but the stockholders may adopt additional By-Laws and may amend or repeal By-Laws whether or not adopted by them provided that the affirmative vote of the holders of **a majority** of the combined voting power of the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class, is required for any such adoption of additional By-Laws, amendment or repeal.

(g) Notwithstanding any other provision of this Certificate of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law, the Certificate of Incorporation or the By-Laws of the Corporation), the affirmative vote of the holders of **a majority** of the voting power of all the shares of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or repeal this Article SIXTH or to adopt any provision inconsistent herewith.

March 21, 2007

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Commissioners:

We have read the statements made by Cambrex Corporation (copy attached), which we understand will be filed with the Securities and Exchange Commission, pursuant to Item 4.01 of Form 8-K, as part of the Form 8-K of Cambrex Corporation dated March 16, 2007. We agree with the statements concerning our Firm in such Form 8-K.

Very truly yours,

PricewaterhouseCoopers LLP

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**CAMBREX CORPORATION**

**Solicited by Board of Directors for 2007 Annual Meeting of Stockholders**

The undersigned stockholder of Cambrex Corporation, (the Company ) hereby appoints J.A. Mack, L.M. Beshar and S.M. Klosk, and each of them acting singly and each with power of substitution and resubstitution, attorneys and proxies of the undersigned, 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 2007 Annual Meeting of Stockholders of the Company to be held on April 26, 2007 at 1:00 p.m. at the Sheraton Meadowlands Hotel, Meadowlands Plaza, East Rutherford, New Jersey and any adjournment thereof. Without otherwise limiting the general authorization hereby given, said attorneys and proxies are instructed to vote as indicated on the reverse side hereof on the proposals set forth in the Notice of Annual Meeting of Stockholders of the Company and accompanying Proxy Statement, each dated March 30, 2007.

**THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE 4 NOMINEES FOR DIRECTOR LISTED IN THE PROXY STATEMENT ACCOMPANYING THE NOTICE OF SAID MEETING (PROPOSAL NO. 1), FOR RATIFICATION OF THE SELECTION OF ACCOUNTANTS (PROPOSAL NO. 2) AND FOR AMENDMENTS TO THE COMPANY S CERTIFICATE OF INCORPORATION IN ORDER TO DECLASSIFY THE COMPANY S BOARD OF DIRECTORS AND AUTHORIZING (i) THE ANNUAL ELECTION OF ALL MEMBERS OF THE BOARD OF DIRECTORS; (ii) STOCKHOLDERS TO REMOVE A DIRECTOR WITH OR WITHOUT CAUSE BY A MAJORITY VOTE OF THE THEN OUTSTANDING SHARES OF COMMON STOCK ENTITLED TO VOTE GENERALLY IN THE ELECTION OF DIRECTORS; AND (iii) REMOVAL OF PROVISIONS REQUIRING A SUPERMAJORITY VOTE OF OUR COMMON STOCK TO EFFECT CERTAIN AMENDMENTS TO OUR RESTATED CERTIFICATE OF INCORPORATION AND BY-LAWS; AS SET FORTH IN THE PROXY STATEMENT ACCOMPANYING THE NOTICE OF SAID MEETING (PROPOSAL NO. 3), UNLESS OTHERWISE MARKED.**

Please Complete And Sign Proxy On Reverse  
Side And Return In Enclosed Envelope.

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X Please mark your  
votes as in this  
example.

1. ELECTION OF DIRECTORS FOR WITHHOLD

Nominees: Rosina B. Dixon, M.D., Roy W. Haley, Leon J. Hendrix, Jr., Ilan Kaufthal

For, except vote withheld from the following  
nominee(s)

2. Ratification of the appointment of BDO Seidman as independent public accountants for 2007

**FOR** **AGAINST** **ABSTAIN**

3. Amendments to the Company's Restated Certificate of Incorporation

(a) Proposal to amend our Restated Certificate of Incorporation to declassify the Board of Directors and to authorize annual election of all members of the Board of Directors.

**FOR** **AGAINST** **ABSTAIN**

(b) Proposal to amend our Restated Certificate of Incorporation to remove the supermajority voting requirement for removal of a director for cause and to permit directors to be removed by stockholders with or without cause by a majority vote.

**FOR** **AGAINST** **ABSTAIN**

(c) Proposal to amend our Restated Certificate of Incorporation to remove the supermajority voting requirement to alter, amend or repeal certain sections of our Restated Certificate of Incorporation and By-Laws.

**FOR** **AGAINST** **ABSTAIN**

Signature(s)

Date

Note: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.