Catalent, Inc.
Form DEF 14A
September 21, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

CATALENT, INC.

(Name of Registrant as Specified In Its Charter)

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:

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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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September 21, 2018

Fellow Catalent Shareholders:

You are cordially invited to attend the 2018 Annual Meeting of Shareholders of Catalent, Inc. to be held at 8:30 a.m. on Wednesday, October 31, 2018 at the company s headquarters, 14 Schoolhouse Road, Somerset, New Jersey.

At the Annual Meeting of Shareholders, shareholders will vote on a number of important proposals. Please take the time to read each of the proposals, which we describe in our Proxy Statement for the Annual Meeting of Shareholders. We will primarily use the internet to furnish our shareholders with our Proxy Statement and other proxy materials, including our form of ballot. We believe using the internet to distribute our proxy materials expedites shareholders receipt of the materials, lowers the costs of the Annual Meeting of Shareholders, and conserves natural resources. We are sending a Notice of Internet Availability of Proxy Materials on or about September 21, 2018 to our shareholders of record as of the close of business on September 4, 2018. The notice contains instructions concerning how to access our Proxy Statement and 2018 Annual Report and vote online. If you would like to receive a printed copy of our proxy materials from us instead of downloading a printable version from the internet, please follow the instructions for requesting such materials included in the Notice.

Your vote is important. You may vote in person at the Annual Meeting of Shareholders, by proxy on the internet or by telephone, or by completing and mailing the enclosed proxy card in the return envelope provided.

Thank you for your support of Catalent.

Sincerely yours,

John Chiminski

Chair of the Board, President and

Chief Executive Officer

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Notice of 2018 Annual Meeting

of Shareholders

Annual Meeting of Shareholders

Date:
Wednesday

October 31, 2018

Time:
8:30 a.m.

Eastern Standard Time

Place:
Catalent, Inc.

14 Schoolhouse Road

Somerset, New Jersey

Items of Business:

Elect four members of our Board of Directors, each for a term of three years;

Ratify the appointment of Ernst & Young LLP as the independent auditor for 2019;

Conduct an advisory and non-binding vote to approve our executive compensation (say-on-pay);

Approve the adoption of our 2018 Omnibus Incentive Plan;

Approve the adoption of our 2019 Employee Stock Purchase Plan;

Approve an amendment and restatement of our Second Amended and Restated Certificate of Incorporation to declassify our Board of Directors over a three-year period; and

Consider other business as may properly come before the Annual Meeting of Shareholders.

Record Date:

Only shareholders of record at the close of business on September 4, 2018 will be entitled to attend and vote at the Annual Meeting of Shareholders.

Your vote is important. Review your Proxy Statement and vote in one of four ways:

IN PERSON. Attend the Annual Meeting at Catalent, Inc., 14 Schoolhouse Road, Somerset, New Jersey 08873 and vote by ballot.

BY TELEPHONE. By calling 1-800-690-6903 (toll free) in the United States or Canada and following the instructions on your proxy card.

BY INTERNET. By visiting www.proxyvote.com and following the instructions on your proxy card.

BY MAIL. By returning a properly completed, signed and dated proxy card in the postage-paid envelope. If you have not already received a proxy card, you may request a proxy card from us by following the instructions on your Notice of Internet Availability.

Important notice regarding the availability of proxy materials for the Annual Meeting: You may obtain this 2018 Proxy Statement and our 2018 Annual Report at www.proxyvote.com.

By order of the Board of Directors,

Steven L. Fasman

Senior Vice President, General Counsel & Corporate Secretary

September 21, 2018

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Proxy Summary

This summary highlights certain information in this Proxy Statement, which is first being sent or made available to shareholders on or about September 21, 2018. As it is only a summary, please review the complete Proxy Statement and our 2018 Annual Report before you vote.

2018 Financial Performance Highlights

The following summary of our financial results for the twelve months ended June 30, 2018 (which we often call fiscal 2018 in this Proxy Statement) highlights our progress in growing our business.

REVENUE OF

$2,463.4 MILLION

GROWTH OF 16% ON CONSTANT-CURRENCY BASIS[(1)]

NET EARNINGS OF

$83.6 MILLION

$0.63 PER DILUTED SHARE

ADJUSTED EBITDA OF

$550.7 MILLION

GROWTH OF 20% ON CONSTANT-CURRENCY BASIS[(2)]

NET LEVERAGE RATIO OF

4.2x

4.9x INTEREST COVERAGE RATIO

SHAREHOLDER RETURN OF

19%

COMPLETED

major biologics

ACQUISITION

CONTINUED TO REINVEST A SIGNIFICANT PORTION OF OUR FREE CASH FLOW IN ATTRACTIVE, STRATEGIC, GROWTH-DRIVING ASSETS

(1) Amounts at constant currency, or constant exchange rates, assume that exchange rates from foreign currencies into the U.S. dollar, the currency in which we report our financial results, did not fluctuate from those used to calculate the corresponding fiscal 2017 amounts. Percent change at constant currency is a financial reporting measure not prepared in accordance with generally accepted accounting principles (non-GAAP). For a further discussion of this measure, please see the Appendix entitled Non-GAAP Financial Measures, beginning on page A-1.

(2) For an explanation of how we determine Adjusted EBITDA and how this non-GAAP financial measure reconciles to our reported results, please see the Appendix entitled Non-GAAP Financial Measures, beginning on page A-1.

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Executive Compensation

For fiscal 2018, 87% of the target total direct compensation of our Chief Executive Officer (CEO) consisted of variable pay pay that is either performance-based or tied to the price of our common stock and 70% of his target compensation consisted of long-term equity awards. For our other executive officers discussed in this Proxy Statement (together with our CEO, our Named Executive Officers or NEOs), an average of 67% of their target total direct compensation was variable pay. The following charts illustrate the compensation pay ratio for our CEO and NEOs. These charts do not include other compensation, pension values and nonqualified deferred compensation earnings, which are shown in the Summary Compensation Table in this Proxy Statement.

CEO Target Direct Compensation

Other NEOs Target Direct Compensation

The allocation of variable compensation for our CEO and other NEOs aligns with our compensation philosophy of motivating our executive officers to achieve our overall performance objectives in the short term and to grow the business to create long-term value for our shareholders. The following table provides highlights of the compensation of our CEO and other NEOs in fiscal 2018 as reported in the 2018 Summary Compensation Table in this Proxy Statement. For the complete details of compensation, please review the entire Proxy Statement.

2018 Executive Compensation Highlights

Name	Base Salary ($)	Management Incentive Plan (MIP) (Annual Bonus) ($)	Long-Term Incentive Plan (LTIP)[1] ($)	All Other Compensation ($)	Total Compensation ($)
John Chiminski	1,017,610	1,774,400	5,625,227	109,631	8,526,868
Wetteny Joseph	418,610	370,402	900,089	36,386	1,725,487
Jonathan Arnold	387,095	288,356	840,109	282,243	1,797,803
William Downie	390,659	335,040	500,096	626,895	1,852,690
Steven L. Fasman	550,000	533,570	840,092	23,949	1,947,611

Matthew Walsh[2]	432,074	-	950,071	64,229	1,446,374

(1) Amounts reported under the Long-Term Incentive Plan include one-time restricted stock grants to Messrs. Joseph and Fasman valued at $500,034 and $190,000, respectively, and a one-time restricted stock unit grant to Mr. Arnold valued at $400,002.

(2) Mr. Walsh s service as our chief financial officer ended on February 6, 2018 and his employment ended on February 16, 2018. As a result, all outstanding unvested equity grants were cancelled/forfeited, including the grants awarded to him in fiscal 2018 that are reflected in this table, and he was ineligible for a payment under our MIP plan.

98.1%

IN FAVOR OF OUR SAY-ON-PAY PROPOSAL

At the 2017 Annual Meeting, our shareholders demonstrated their concurrence that our executive compensation program reflects a pay-for-performance philosophy.

Corporate Governance

We have in place what we believe are strong corporate governance standards and practices to assure effective management by our executives and oversight by our Board of Directors. We are committed to good governance because it promotes the long-term interests of shareholders, as well as accountability and trust in us. Highlights of our corporate governance standards and practices include the following:

Corporate Governance Highlights

ACCOUNTABILITY

Annual Board and Committee self-evaluation

Annual CEO evaluation

BOARD PRACTICES

Regular meetings of Committees

Lead Director requirement

Independent Committee chairs and members

Board-approved Quality and Regulatory Compliance and Mergers & Acquisitions Committee

Limits on director overboarding

Board-approved statement opposing modern slavery

Majority-independent board

Declassification of Board (proposed change)

SHAREHOLDER INTEREST

Emphasize pay-for-performance

Director & executive stock ownership goals

Continuity planning

Shareholder proxy access

TRANSPARENCY

Corporate Governance Guidelines

Securities trading policy

Board-approved Code of Ethics, known as our Standards of Business Conduct, applicable to all employees, officers, and directors

Resignation policy in uncontested elections

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Annual Meeting

DATE AND TIME

Wednesday, October 31, 2018

8:30 a.m.

PLACE

Catalent, Inc.

14 Schoolhouse Road

Somerset, New Jersey

RECORD DATE

Close of business on September 4, 2018.

VOTING

Only shareholders on the record date are entitled to one vote per share on each matter to be voted upon at the Annual Meeting of Shareholders.

ADMISSION

We do not require tickets for admission to the Annual Meeting of Shareholders, but we do limit attendance to shareholders on the record date or their proxy holders. Please bring proof of your common share ownership, such as a current brokerage statement, the

16-digit number included on your proxy card or Notice of Internet Availability, and valid government-issued photo identification.

Annual Meeting Proposals

	Proposal	**Board Vote Recommendation**	**Page Number Reference**
1	Elect Four Members of Our Board of Directors	FOR	5
2	Ratification of Appointment of Independent Auditor for Fiscal 2019	FOR	65
3	Advisory Vote on the Approval of Executive Compensation (Say-on-Pay)	FOR	68
4	Approval of 2018 Omnibus Incentive Plan	FOR	69
5	Approval of 2019 Employee Stock Purchase Plan	FOR	82
6	Amendment and Restatement of Second Amended and Restated Certificate of Incorporation to Declassify our Board of Directors	FOR	87

Our Board does not intend to bring any matter before the Annual Meeting of Shareholders other than those set forth above and is not aware of any matter that anyone else proposes to present for action at the meeting. However, if any other matter properly comes before the meeting, your proxy gives authority to the designated proxy holder to vote on such matters in accordance with the holder s best judgment.

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Proposal 1:

Elect Four Members of our Board of Directors

(ITEM 1 ON THE PROXY CARD)

While Proposal 6, if adopted, will lead to an unclassified Board, our Board currently consists of ten directors divided into three classes, I, II and III, with directors serving class-based staggered terms of three years until their successors are duly elected and qualified, or until their earlier death, resignation, or removal. Unless and until our shareholders approve declassification, there is an election each year with respect to the class of directors whose terms are expiring. The directors in Class I, whose terms expire at the 2018 Annual Meeting of Shareholders, are John Chiminski, Rosemary A. Crane, Donald E. Morel, Jr., and Jack Stahl. Our Board has nominated each of these directors to stand for re-election for a three-year term, which will expire at the 2021 Annual Meeting of Shareholders. Each of the nominees has consented to being named in this Proxy Statement and to serve if elected.

Note that if Proposal 6, as described below beginning on page 87, is approved by our shareholders at this Annual Meeting of Shareholders, our Board would be declassified over the next three years, with this year s election being the last one electing directors to serve a multi-year term.

Background to the Board s

Recommendation in Favor of the Nominees

The Nominating and Corporate Governance Committee of our Board (the Nominating Committee) is directed under its charter to identify qualified individuals to become directors, and to recommend individuals it identifies to our Board for nomination. The Nominating Committee considers a number of factors and principles in recommending the slate of director nominees for election, as described below under the heading Director Nomination Process beginning on page 18.

The Nominating Committee has evaluated each of Mr. Chiminski, Ms. Crane, Dr. Morel, and Mr. Stahl against the factors and principles it uses to select nominees for director. The Nominating Committee considered, among other things, that each of the nominees is an existing member of our Board, is familiar with us and the risks and opportunities we face, and has demonstrated an ability to work collegially and productively with the other members of our Board. The Nominating Committee also considered particular aspects of each of the director nominees, as noted below with the nominee s biography under the heading Specific qualifications, experience, skills and expertise.

Following its evaluation, the Nominating Committee voted to recommend the nominees to our Board as candidates for election to a new term of office. Based in part on the Nominating Committee s evaluation and recommendation, our Board has concluded that it is in our best interest and the best interest of our shareholders for each of the proposed nominees to continue to serve as a director.

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Director Nominees

JOHN CHIMINSKI

Director since 2009

Chair since 2016

Age: 54

John Chiminski has led Catalent as Chief Executive Officer since March 2009. He joined our company after more than 20 years of experience at GE Healthcare in engineering, operations, and senior leadership roles. From 2007 to 2009, Mr. Chiminski was President and Chief Executive Officer of GE Medical Diagnostics, a global business with sales of $1.9 billion. From 2005 to 2007, he served as Vice President and General Manager of GE Healthcare s Global Magnetic Resonance Business, and from 2001 to 2005, as Vice President and General Manager of Global Healthcare Services. Earlier at GE, he held a series of cross-functional leadership positions in both manufacturing and engineering, including a GE Medical Systems assignment in France. Mr. Chiminski holds a B.S. from Michigan State University and an M.S. from Purdue University, both in electrical engineering, as well as a Master s degree in Management from the Kellogg School of Management at Northwestern University.

Specific qualifications, experience, skills and expertise:

Substantial expertise in advising and managing companies in various segments of the healthcare industry

Significant experience overseeing the day-to-day business operations of a healthcare company

Extensive experience as a business leader in our industry

Experience serving on corporate boards

Rosemary A. Crane

Director since 2018

Age: 58

Committees:

Audit

Ms. Crane is currently a member of the board of directors of each of Edge Therapeutics, Inc., Teva Pharmaceutical Industries Limited, and Zealand Pharma A/S and has previously served as a director of Unilife Corporation, Cipher Pharmaceuticals, MELA Sciences, Inc., Epocrates Inc., and Targanta Therapeutics. Ms. Crane retired in 2014 from MELA Sciences, Inc., where she served as President and Chief Executive Officer beginning in 2013. From 2011 to 2013, she was a Partner and Head of Commercialization at Appletree Partners and, from 2008 to 2011, served as Chief Executive Officer and President of Epocrates Inc. From 2002 to 2008, Ms. Crane served in several senior executive positions at the Johnson & Johnson Group of Companies, ending as Company Group Chairman, OTC and Nutritional Group. From 1982 to 2002, she was at Bristol-Myers Squibb Company, ending her tenure there as President, U.S. Primary Care. Ms. Crane received her M.B.A. from Kent State University and her B.A. in Communications and English from the State University of New York at Oswego.

Specific qualifications, experience, skills and expertise:

Substantial experience in commercialization and business operations in the pharmaceutical and biotechnology industries

Substantial experience serving on the boards of directors of healthcare companies

Experience reviewing and analyzing complex public company financial statements

DONALD E. MOREL, JR., PH.D.

Director since 2015

Age: 60

Committees:

Quality and Regulatory Compliance (chair)

Audit

Compensation and Leadership

Dr. Morel retired in June 2015 as Chairman of West Pharmaceutical Services, Inc. (West), a leading manufacturer of packaging components and delivery systems for injectable drugs and healthcare products, a position he had held since March 2003. He also served as West s Chief Executive Officer from April 2002 until April 2015 and as its President from April 2002 until June 2005. Currently, Dr. Morel serves as Chairman of the Board of Directors of the American Oncologic Hospital of the Fox Chase Cancer Center. He also serves as a Chairman of the Board of Trustees of the Franklin Institute and is a Trustee of Lafayette College. Additionally, Dr. Morel has been a director of Stevanato Group since September 2018 and of Integra Life Sciences Holdings Corporation since August 2013. Prior to that, he served as a director of Kensey Nash Corporation from 2010 until 2012. Dr. Morel obtained a Master of Science degree and a Ph.D. in Materials Science from Cornell University and a Bachelor of Science degree in Engineering from Lafayette College.

Specific qualifications, experience, skills and expertise:

Substantial experience and leadership in managing a life sciences business performing contract development and manufacturing services

Substantial experience serving on the boards of directors of public companies

Experience reviewing and analyzing complex public company financial statements

JACK STAHL

Director since 2014

Lead Director since 2016

Age: 65

Committees;

Mergers & Acquisitions (chair)

Nominating and Corporate Governance

Mr. Stahl was the President and Chief Executive Officer of Revlon, Inc. from 2002 until his retirement in 2006. Prior to joining Revlon, Mr. Stahl served as President and Chief Operating Officer of The Coca-Cola Company from 2000 to 2001, having previously served in various management positions since joining the company in 1979. Mr. Stahl serves on the board of Advantage Solutions LLC and on the U.S. board of advisors of CVC Capital. Additionally, Mr. Stahl formerly served on the boards of Schering-Plough Corporation, Dr Pepper Snapple Group, Saks, Inc., Coty Inc., and Royal Ahold Delhaize, and was chairman of the board of managers of New Avon LLC. Mr. Stahl holds a bachelor s degree in economics from Emory University and a master s degree from the Wharton School of Business at the University of Pennsylvania.

Specific qualifications, experience, skills and expertise:

Leadership experience with other public companies

Substantial experience serving as a director

Substantial expertise in advising and managing multi-national companies with multiple business units

Accounting experience and experience preparing and analyzing complex corporate financial statements

Continuing Directors

MADHAVAN MADHU BALACHANDRAN

Director since 2017

Age: 67

Committees;

Nominating and Corporate Governance

Quality and Regulatory Compliance

Mr. Balachandran was Executive Vice President, Operations of Amgen Inc., a global biotechnology company (Amgen), from August 2012 until July 2016 and retired as an Executive Vice President in January 2017. Mr. Balachandran joined Amgen in 1997 as Associate Director, Engineering. He became Director, Engineering in 1998, and, from 1999 to 2001, he held the position of Senior Director, Engineering and Operations Services before moving to the position of Vice President, Information Systems from 2001 to 2002. Thereafter, Mr. Balachandran was Vice President, Puerto Rico Operations from May 2002 to February 2007. From February 2007 to October 2007, Mr. Balachandran was Vice President, Site Operations, and, from October 2007 to August 2012, he held the position of Senior Vice President, Manufacturing. Prior to his tenure at Amgen, Mr. Balachandran held leadership positions at Copley Pharmaceuticals, now a part of Teva Pharmaceuticals Industries Ltd., and Burroughs Welcome Company, a predecessor through mergers of GlaxoSmithKline plc. He has served as a director of Stevanato Group since September 2018. Mr. Balachandran holds a Master of Science degree in Chemical Engineering from The State University of New York at Buffalo and an MBA from East Carolina University.

Specific qualifications, experience, skills and expertise:

- Extensive experience overseeing the manufacturing operations of a healthcare company
- Leadership experience with other public companies

J. Martin Carroll

Director since 2015

Age: 68

Committees;

Nominating and Corporate Governance (chair)

Compensation and Leadership

Quality and Regulatory Compliance

Mr. Carroll served as President and Chief Executive Officer of Boehringer Ingelheim Corporation and of Boehringer Pharmaceuticals, Inc. from 2003 until 2011 and as Head, Corporate Strategy and Development of Boehringer Ingelheim GmbH from 2012 until his retirement in 2013. Mr. Carroll served as a director of Boehringer Ingelheim Corporation from 2003 until December 2012. Mr. Carroll joined the Boehringer Ingelheim organization in 2002 as President of Boehringer Pharmaceuticals, Inc. Mr. Carroll worked at Merck & Company, Inc. from 1976 to 2001. From 1972 to 1976, Mr. Carroll served in the United States Air Force, where he attained the rank of Captain. Mr. Carroll has been a director of Mallinckrodt plc since June 2013, serving as Chair of its Compliance Committee, and has also served as a director of TherapeuticsMD, Inc. since March 2015. He served as a director of Inotek from April 2016 to June 2016 and as Chairman of its Board from June 2016 until January 2018 when Inotek was sold to Rocket Pharmaceutical. Mr. Carroll also served as a director of Durata Therapeutics, Inc. from August 2014 until November 2014 when it was acquired by Actavis plc, and as a director of Vivus, Inc. from May 2013 until September 2014. Mr. Carroll received a B.A. in accounting and economics from the College of the Holy Cross and an M.B.A. from Babson College.

Specific qualifications, experience, skills and expertise:

Substantial experience with sales and marketing issues

Substantial experience serving as a director

Substantial expertise in advising and managing multi-national companies with multiple business units

Substantial experience with pharmaceutical and other healthcare companies

Substantial experience reviewing and analyzing executive compensation programs

Rolf Classon

Director since 2014

Age: 72

Committees;

Audit

Mergers & Acquisitions

From October 2002 until his retirement in July 2004, Mr. Classon was Chairman of the Executive Committee of Bayer HealthCare AG, a subsidiary of Bayer AG. He served as President of Bayer Diagnostics from 1995 to 2002 and as Executive Vice President of Bayer Diagnostics from 1991 to 1995. Prior to 1991, Mr. Classon held various management positions with Pharmacia Corporation. Mr. Classon currently serves as Chairman of the Board of Directors of Perrigo Company plc and as a member of the Supervisory Board of Fresenius Medical Care. He was previously Chairman of the Board of Directors of Tecan Group Ltd., serving from 2009 until April 2018. Mr. Classon served as Chairman of the Board of Directors of Hill-Rom Holdings, Inc. from 2006 until March 2018, also serving as Vice Chairman of the Board from 2003 through May 2005 and as interim chief executive officer from May 2005 until March 2006. From 2005 to 2015, Mr. Classon served as Chairman of the Board of Directors of Auxilium Pharmaceuticals, Inc., and as Vice Chairman from March 2005 to April 2005. Mr. Classon previously served as a director of Sequanna Medical AG from 2016 until 2017, Aerocine AB, Stockholm from 2013 until 2015, Millipore Corporation from 2005 until 2010, Prometheus Laboratories Inc. from 2004 until 2010, and Enzon Pharmaceuticals Inc. from January 1997 until 2011. Mr. Classon received his Chemical Engineering Certificate from the Gothenburg University School of Engineering and a Business Degree from Gothenburg University.

Specific qualifications, experience, skills and expertise:

- Leadership experience with other public companies
- Substantial experience serving as a director and as a member of public company audit committees
- Substantial expertise in advising and managing multi-national companies with multiple business units

Substantial experience with pharmaceutical and other healthcare companies

Experience reviewing and analyzing complex public company financial statements

JOHN J. GREISCH

Director since 2018

Age: 63

Committees;

Audit (chair)

Compensation and Leadership

Mr. Greisch retired in May 2018 from his position as President and Chief Executive Officer of Hill-Rom Holdings, Inc., a position that he had held since 2010. Prior to that, Mr. Greisch was President International Operations for Baxter International, Inc., a position he held beginning in 2006. During his seven-year tenure with Baxter, he also served as the company s Chief Financial Officer and as President of its BioScience division. Before his time with Baxter, Mr. Greisch was President and Chief Executive Officer for FleetPride Corporation in Deerfield, Illinois, an independent after-market distribution company serving the transportation industry. Prior to his tenure at FleetPride, he held various positions at The Interlake Corporation, including serving as President of its Materials Handling Group. Mr. Greisch currently serves as chairman of the board of Viant Medical, LLC and as a director on the board of Idorsia Pharmaceuticals Ltd., and previously served on the boards of Hill-Rom Holdings, Inc., Actelion Ltd, TomoTherapy, Inc., and AdvaMed. Additionally, he serves as a senior advisor to TPG Capital and is on the board of directors for Ann & Robert H. Lurie Children s Hospital of Chicago. He received a Master s in Management from the Kellogg School of Management at Northwestern University and a B.S. degree from Miami University.

Specific qualifications, experience, skills and expertise:

Leadership experience with other public companies, including service as a chief executive officer and chief financial officer

Substantial experience with other healthcare companies

Substantial experience preparing and analyzing complex public company financial statements

Substantial experience reviewing and analyzing executive compensation programs

CHRISTA KREUZBURG, PH.D.

Director since 2018

Age: 58

Committees;

Nominating and Corporate Governance

Quality and Regulatory Compliance

Dr. Kreuzburg has been consulting in the healthcare sector since retiring from Bayer AG in 2009, after 19 years of service in a variety of roles, including service as Head of the Bayer Schering Pharma Europe/Canada unit of Bayer Healthcare from 2007 to 2008, and as Head of the Pharma Primary Care/International Operations unit of Bayer Healthcare from 2006 to 2007. She also held roles in the Strategic Planning and Central Research groups. Dr. Kreuzburg is currently a member of the board of directors of Tecan Trading AG of Switzerland and has previously served as a director of Freedom Innovations LLC. Dr. Kreuzburg received her Ph.D. and Bachelor s degrees in Physical Chemistry from Duisburg University in Germany.

Specific qualifications, experience, skills and expertise:

Substantial experience with the management and operations of pharmaceutical companies

Substantial expertise in advising and managing multi-national companies with multiple business units

GREGORY T. LUCIER

Director since 2015

Age: 54

Committees;

Compensation and Leadership (chair)

Mergers & Acquisitions

Mr. Lucier is the Chairman and Chief Executive Officer of Nuvasive, Inc., a medical device company focused on developing minimally disruptive surgical products and procedures for the spine. Prior to joining Nuvasive, Inc. in March 2015, Mr. Lucier was Chairman and Chief Executive Officer of Life Technologies Corporation (formerly Invitrogen Corporation), a global biotechnology company, from May 2003 until it was acquired by Thermo Fisher Scientific, Inc. in February 2014. Prior to that, Mr. Lucier was a corporate officer at General Electric Company, where he served in a variety of leadership roles. Mr. Lucier is a director of Nuvasive, Inc. and served as a director of Life Technologies Corporation from May 2003 to February 2014 and of Carefusion Corporation from August 2009 until its sale to Becton, Dickinson and Company in March 2015. Mr. Lucier received an M.B.A. from Harvard Business School and a B.S. in industrial engineering from Pennsylvania State University.

Specific qualifications, experience, skills and expertise:

Leadership experience with other public companies

Substantial experience serving as a director

Substantial expertise in advising and managing multi-national companies with multiple business units

Substantial experience with pharmaceutical and other healthcare companies

Substantial experience reviewing and analyzing executive compensation programs

Corporate Governance

We are committed to ensuring strong corporate governance practices on behalf of our shareholders. We believe strong corporate governance and an independent Board provide the foundation for financial integrity and shareholder confidence. In 2018, as part of its ordinary course review of our corporate governance program, and taking into account, among other things, developments in corporate governance, shareholder interactions, legal or regulatory developments, proxy advisory firm positions, SEC guidance, and New York Stock Exchange (NYSE) requirements, our Nominating Committee concluded that it was in the best interests of the company and our shareholders to recommend to our Board that it approve declassification of the Board over a three-year period. Based upon this recommendation, and conditioned on approval by our shareholders, our Board approved amendments to our current certificate of incorporation (our Current Certificate) to reflect this change. Unanimously, our Board recommends that shareholders vote in favor of Proposal 6 described later in this Proxy Statement, which embodies this proposed change.

Our commitment to good corporate governance is evidenced by our Corporate Governance Guidelines (our Governance Guidelines), which are available on our corporate website at http://investor.catalent.com/corporate-governance. Our Governance Guidelines set forth the principles and practices that our Board follows in carrying out its responsibilities, including ongoing review of our corporate governance practices in light of our business initiatives, the interests of our shareholders, and evolving best practices.

Key Corporate Governance Features

Important aspects of our corporate governance include the following:

Board Independence	Our Board has determined that nine out of ten of our directors are independent under the NYSE listing standards, with our CEO being the only member of management who serves as a director.
Board Committees	We have five committees of the Board the Audit Committee, the Compensation and Leadership Committee, the Nominating Committee, the Quality and Regulatory Compliance Committee, and the Mergers & Acquisitions Committee each of which is

composed entirely of independent directors.

Each of our five Committees operates under a written charter and reports regularly to the Board concerning its activities.

Lead Director

When a non-independent director serves as Chair of our Board, our Governance Guidelines require the independent directors to appoint a Lead Director from among them. Mr. Stahl has served in that role since October 2016.

Executive Sessions

Our Board holds regular executive sessions of non-management directors, which are chaired by our Lead Director.

Board Oversight of Risk

Risk management is overseen by our Audit Committee.

Our Compensation and Leadership Committee reviews risks arising from our compensation practices so that those practices encourage management only to act in the best interests of our shareholders.

Our Nominating Committee oversees risk associated with potential conflicts of interest as well as effectiveness of our Governance Guidelines.

Our Quality and Regulatory Compliance Committee focuses on risks arising out of the extensive food, drug, and cosmetics regulations that govern our operations and our relationships with our customers.

Corporate Governance Guidelines

Our Board operates under our Governance Guidelines, which define director qualification standards and other appropriate governance procedures.

Majority Voting and Director Resignation Policy	Directors in uncontested elections must garner the approval of a majority of the shares cast. Any director not receiving a majority of the cast shares in an uncontested election must tender his or her resignation to the Nominating Committee, which shall promptly consider such resignation and make a recommendation to our Board with respect to what action should be taken.
Accountability	Our only authorized stock consists of one class of common stock and one class of preferred stock. Each share of our common stock is entitled to one vote. We have not issued any preferred stock.
Stock Ownership	Each non-employee director is required to own shares of our common stock in an amount equal to five times the non-employee director annual cash retainer.
	Guidelines adopted by our Compensation and Leadership Committee state that each of our executive officers must own shares of our common stock: our CEO must own an amount equal to 5 times his annual salary, and each of our other executive officers must own an amount equal to two and one-half times the officer s salary.
Open Lines of Communication	Our Board promotes open and frank discussions with senior management.

	Our directors have access to all members of management and other employees and are authorized to hire outside consultants or experts at our expense.
Self-Evaluation	Our Board and each of the Committees conduct annual self-evaluations.
Code of Ethics	Our Standards of Business Conduct, which, among other things, requires compliance with law and the maintenance of appropriate ethical standards, is applicable to all of our directors and employees.
Overboarding	Without specific approval from our Board, no director will serve on more than four other public company boards; no Audit Committee member will serve on more than two other public company audit committees; and it is expected that directors who also serve as CEOs or in equivalent positions at other public companies generally should not serve on more than two outside public company boards.
Shareholder Proxy Access	Shareholders who satisfy the standards set forth in our bylaws have the ability to include on our proxy their own nominees for election to our Board, provided that such director nominees satisfy the eligibility requirements set forth in our bylaws.

The Board and Committees of the Board

We are governed by our Board, which provides overall direction to and oversight of our business. As described in the table below, our Board consists of ten directors divided into three classes (I, II and III), nine of whom have been determined by our Board to be independent under our Governance Guidelines and the NYSE listing standards. Each director serves for a staggered term (based on class membership) of three years until the director s successor is duly elected and qualified, or until the director s earlier death, resignation, or removal. Each year, there is an election with respect to the class of directors whose terms are expiring. Note that if Proposal 6, as described below beginning on page 87, is approved by our shareholders at this Annual Meeting of Shareholders, our Board would be declassified over the next three years, with this year s election being the last one electing directors to serve a multi-year term.

Four of the committees established by our Board the Audit Committee, the Compensation and Leadership Committee (the Compensation Committee), the Nominating Committee, and the Quality and Regulatory Compliance Committee (the Quality Committee) each meet regularly. Our Board also has a standing Mergers & Acquisitions Committee (the M&A Committee) that meets on an as-needed basis. Each committee has a written charter, which can be found on our website at http://investor.catalent.com/corporate-governance, and is comprised solely of independent directors as determined under our Governance Guidelines and applicable NYSE listing standards and the requirements of Securities Exchange Act of 1934, as amended (the Exchange Act).

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Committee Membership and Function

The following table lists each director s Class and the Chair and current members of each of the Committees.

				Current Committee Membership				
	Class	Current Term End Year	Determination of Independence?	Audit	Compensation and Leadership	Nominating and Corporate Governance	Quality and Regulatory Compliance	M Ac
ski[1]	Class I	2018	NO					
. Crane[2]	Class I	2018	YES	¡				
orel, Jr.	Class I	2018	YES	¡	¡		CHAIR	
	Class I	2018	YES			¡		

alachandran	Class II	2019	YES			¡	¡
rroll	Class II	2019	YES		¡	CHAIR	¡
sch[4]	Class II	2019	YES	CHAIR	¡		
n	Class III	2020	YES	¡			
zburg[5]	Class III	2020	YES			¡	¡
cier	Class III	2020	YES		CHAIR		

(1) As our President and CEO, Mr. Chiminski cannot be deemed independent.

(2) Ms. Crane was appointed to our Board effective February 16, 2018.

(3) Mr. Stahl serves as the Lead Director.

(4) Mr. Greisch was appointed to our Board effective February 16, 2018, replacing James Quella who had retired from our Board effective as of that same date.

(5) Dr. Kreuzburg was appointed to our Board effective February 16, 2018, replacing Uwe Röhrhoff who had retired from our Board effective as of February 4, 2018.

Audit Committee	Number of 2018 Meetings: **4**
Membership:	

John J. Greisch, Chair | Rolf Classon | Rosemary A. Crane | Donald E. Morel, Jr.

Function:

Oversees the adequacy and integrity of our financial statements and our financial reporting and disclosure practices.

Oversees the soundness of our system of internal controls to assure compliance with financial and accounting requirements.

Retains and reviews the qualifications, performance, and independence of our independent auditor.

Reviews and discusses with management and the independent auditor prior to public dissemination our annual audited financial statements, quarterly unaudited financial statements, earnings press releases and financial information and earnings guidance provided to analysts and rating agencies.

Oversees our guidelines and policies relating to risk assessment and risk management, and management s plan for risk monitoring and control.

Oversees our internal audit function.

Reviews and approves or ratifies all transactions between us and any Related Person (as defined in the federal securities laws and regulations) that are required to be disclosed pursuant to Item 404(a) of Regulation S-K under the Exchange Act.

Oversees compliance with our Standards of Business Conduct.

Prepares for and issues the Audit Committee Report contained in this Proxy Statement.

Our Board has determined that each member of the Audit Committee qualifies as an audit committee financial expert as defined in SEC regulations. The Report of the Audit Committee is included on page 67.

Compensation and Leadership Committee	Number of 2018 Meetings: **8**
Membership:	

Gregory Lucier, Chair | J. Martin Carroll | John J. Greisch | Dr. Donald E. Morel, Jr.

Function:

Establishes and reviews our overall compensation philosophy.

Evaluates the performance of the CEO and determines and approves the annual salary, bonus, and equity-based incentive and other benefits, of the CEO.

Reviews and approves, or recommends to our Board, the annual salary, bonus, and equity-based incentives and other benefits of our other executive officers.

Reviews and recommends to our Board on the compensation of directors.

Reviews all employment, severance, and termination agreements with our executive officers.

Reviews and approves, or recommends to our Board, our incentive-compensation plans and equity-based plans.

Oversees certain of our other benefit plans.

Prepares for and issues the Compensation Committee Report contained in this Proxy Statement.

As delegated by our Board, oversees management continuity and succession as well as executive officer development.

The Compensation Committee is permitted to delegate its authority to one or more of our officers the authority to make awards to any non-Section 16 officer under our incentive-compensation or other equity-based plan. During fiscal 2018, the Compensation Committee delegated, non-exclusively, its authority to make awards to employees other than Section 16 officers under prescribed conditions, including the condition that no individual award exceeds $200,000 in value. The Report of the Compensation Committee is included on page 48.

Compensation Committee Interlocks and Insider Participation

No Compensation Committee member is our current or former employee or officer. There is no interlock with any other board or company.

Nominating and Corporate Governance Committee	Number of 2018 Meetings: **2**

Membership:

J. Martin Carroll, Chair | Madhavan Balachandran | Christa Kreuzburg | Jack Stahl

Function:

Identifies and recommends nominees for election to our Board.

Reviews the composition and size of our Board.

Oversees an annual evaluation of the Board of Directors and each Committee.

Regularly reviews our corporate governance documents, including our corporate charter and bylaws and our Governance Guidelines.

Recommends members of our Board to serve on Committees.

As delegated by our Board, oversees and approves the management continuity planning process.

Quality and Regulatory Compliance Committee Number of 2018 Meetings: **4**

Membership:

Donald E. Morel, Jr., Chair | Madhavan Balachandran | J. Martin Carroll | Christa Kreuzburg

Function:

Oversees and reviews our personnel, activities, processes and procedures that assure the quality of the products and services we deliver.

Reports on significant audits, inspections and corrective and preventative actions on relative governmental investigations to our Board.

Oversees our quality and regulatory compliance programs with respect to legal and regulatory requirements.

Oversees the implementation of our quality and regulatory compliance program.

Mergers & Acquisitions Committee Number of 2018 Meetings: **8**

Membership:

Jack Stahl, Chair | Rolf Classon | Gregory Lucier

Function:

Assists our Board in reviewing and assessing potential mergers, acquisitions, divestitures, and other similar strategic transactions, taking into account, among other things, (i) the risks and benefits to the company and (ii) our Board s obligation to oversee and provide overall direction to management with respect to such transactions.

Board and Committee Attendance

During fiscal 2018, our Board met six times and acted by unanimous written consent two times. Each director attended more than 75% of the respective meetings of our Board and our committees, if any, for which such director s attendance was required.

The Committees held the following number of meetings and acted by unanimous written consent the following number of times during fiscal 2018:

Committee	Meetings	Consents
Audit Committee	4	
Compensation Committee	8	1

Nominating Committee	2	1
Quality Committee	4	
M&A Committee	8	

We strongly encourage members of our Board to attend our Annual Meeting of Shareholders. All of our directors then serving attended our 2017 Annual Meeting of Shareholders in November 2017.

Director Independence

Under our Guidelines and the NYSE listing standards, a director is not independent if the director has or had certain specified relationships with us. As a result of its review, our Board determined that each of our current directors other than Mr. Chiminski is independent. Our Board also determined that each other director who served during a portion of fiscal 2018, Melvin D. Booth, James Quella, and Uwe Röhrhoff, was also similarly independent. Mr. Chiminski serves on our Board of Directors, but as our President and CEO he cannot be deemed independent.

Board Leadership Structure

Our Governance Guidelines, which can be found on our website at http://investor.catalent.com/corporate-governance, provide our Board flexibility in determining its leadership structure. Our Board considers its structure and leadership each year, in particular whether the roles of Chair and CEO should be combined or separated, based on what it believes is in the best interests of the company at a given point in time. Currently, Mr. Chiminski serves as our CEO as well as Chair of our Board. Our Board has determined that combining the positions is the appropriate leadership structure at this time. Mr. Chiminski, given his primary responsibility for managing the company s day-to-day operations and his extensive knowledge and understanding of the company, is best positioned to lead our Board at this time and to focus its attention on the issues of greatest importance to the company and its shareholders. The Chair presides at all Board and shareholder meetings and performs such other duties as may be designated in our bylaws or by our Board as a whole. Our Board will continue periodically to evaluate its leadership structure and determine whether continuing the combined roles of CEO and Chair is in our best interest based on circumstances existing at the time.

Our Governance Guidelines require that the independent directors on the Board elect from among themselves a Lead Director whenever the Chair of our Board is also the CEO or is a director who does not otherwise qualify as an independent director. Mr. Stahl currently serves as our independent Lead Director. The Lead Director helps to assure the appropriate oversight of company management by our Board, as well as maintain the optimal functioning of our Board. Among other things, the Lead Director has the authority to:

- convene meetings of the independent directors as the Lead Director deems necessary;
- preside over all meetings of our Board at which the Chair is not present, including any executive sessions of the independent directors;

act as a liaison between the Chair and the independent directors; and

recommend to the other members of our Board the retention of consultants and advisors who directly report to it, without consulting or obtaining the advance authorization of any officer of the company.

Board and Committee Evaluation Process

The Nominating Committee leads an annual performance evaluation of our Board and each Board committee as described below.

Evaluate	Compile	Discuss	Review
Each director completes a Board self-evaluation questionnaire and a separate questionnaire for each committee on which the director serves. The questionnaires request ratings and solicit suggestions for improving Board and committee governance processes and effectiveness.	Questionnaire results are compiled by the Corporate Secretary. Specific director comments are reported without attribution. Each director receives the Board self-evaluation results and the self-evaluation results for each committee on which the director serves. The Chair and the Lead Director receive all of the self-evaluation results.	Committee self-evaluation results are discussed by each committee, and Board self-evaluation results are discussed by the full Board, in each case in executive session. The committees and our Board each identify areas for further consideration and opportunities for improvement, and implement plans to address those matters.	Each committee and the full Board review progress with respect to any identified areas for further consideration.

Board s Role in Risk Oversight

Our Board as a whole and through its committees oversees our risk management. Members of senior management regularly report to our Board on areas of material risk. Our Board regularly reviews information regarding our strategy, finances, liquidity, operations, legal and regulatory developments, our research and development activities, and our competitive environment, as well as the risks related to these matters. The Audit Committee oversees the management of risks related to financial reporting and monitors the annual internal audit risk assessment, which identifies and prioritizes risks related to our internal controls in order to develop internal audit plans for future fiscal years. The Audit Committee also periodically meets with members of our information technology department to assess information security risks (including cybersecurity risks) and to evaluate the status of the company s cybersecurity efforts, which include a broad range of tools and training initiatives that are designed to work together to protect the data and systems used in our business. The Nominating Committee oversees the management of risks associated with the independence of the members of our Board. The Compensation Committee oversees risks relating to our compensation plans and arrangements. The Quality Committee focuses on risks arising out of the extensive food, drug, and cosmetics regulations that govern our operations and our relationships with our customers. Each Committee provides periodic reports to the full Board regarding its area of responsibility and oversight. We do not believe there is any relationship between how our Board oversees management of our risks and its leadership structure.

Majority Voting and Director Resignation Policy

In August 2017, our Board, following its strategic review of our corporate governance program, practices, and policies and the recommendation of our Nominating Committee, amended and restated our bylaws to provide, among other things, that director nominees in uncontested elections shall be elected by the affirmative vote of a majority of the votes cast in respect of the shares present in person or represented by proxy at any annual or special meeting of shareholders for the election of directors and entitled to vote on the election of directors (meaning the number of shares voted for a nominee for director must exceed the total number of shares voted against such nominee for director, with abstentions and broker non-votes not counted as a vote cast either for or against that nominee for director s election).

Pursuant to our Governance Guidelines, any incumbent director nominee who does not receive a majority of votes cast for his or her election must offer to resign from our Board. The Nominating Committee will promptly consider the offer and recommend to our Board whether to accept or reject the offer to resign. In deciding the action to be taken with respect to any such resignation offer tendered under this policy, the Nominating Committee and our Board will consider what they believe is in our best interests and the best interests of our shareholders. Our Board will act on the Nominating Committee s recommendation within ninety days following the date of the shareholder meeting during which the election occurred, taking into account the factors considered by the Nominating Committee and any additional relevant information.

Any director who offers a resignation will not participate in the consideration by the Nominating Committee or our Board concerning whether to accept the offered resignation. If a majority of the members of the Nominating Committee did not receive more for votes than against votes, then the independent directors (excluding those independent directors, if any, who did not receive more for votes than against votes in the most recent election) will appoint a Board committee solely for the purpose of considering the offered resignations and making a recommendation to our Board whether to accept them; *provided, however*, that if there are fewer than three independent directors who received more for votes than against votes in the election, then such committee will be comprised of all independent directors, and each independent director who is required by the Governance Guidelines to offer a resignation will not participate in the consideration by such committee and our Board concerning whether to accept that director s offer to resign.

We will promptly publicly disclose the decision of our Board regarding any offer to resign, including an explanation of how the decision was reached and, if applicable, the reasons an offer to resign was not accepted, in a Current Report on Form 8-K to be filed or furnished with the SEC. If our Board determines to accept a director s offer to resign, the Nominating Committee will recommend whether to fill such vacancy or whether to reduce the size of our Board.

Director Nomination Process

The Nominating Committee considers and recommends the annual slate of director nominees for approval by our Board. The Nominating Committee considers a number of factors and principles in recommending the slate of director nominees for election to our Board. In particular, the Nominating Committee considers the following when evaluating and selecting nominees: the candidate s individual qualifications, including strength of character, mature judgment, familiarity with our business and industry, independence of thought, an ability to work collegially, and all other factors it considers appropriate, which may include age, gender, and ethnic and racial background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations such as antitrust issues, corporate governance background, various and relevant career experience, relevant technical skills and education, relevant business or government acumen, financial and accounting background, executive compensation background, and the size, composition, and combined expertise of the existing Board.

Although our Board and Nominating Committee consider diversity of viewpoints, background, and experiences when identifying and reviewing candidates for our Board, our Board does not have a separate diversity policy. In identifying and evaluating prospective director candidates, the Nominating Committee may seek referrals and assistance from other members of our Board, management, shareholders, and other sources, including third-party search consultants. The Nominating Committee uses the same criteria for evaluating candidates regardless of the source of the referral. When considering director candidates, the Nominating Committee seeks individuals with backgrounds and qualities that, when combined with those of our incumbent directors, provide a blend of skills and experiences to further enhance our Board s effectiveness.

Shareholders may nominate directors for election by following the provisions set forth in our bylaws concerning such matters. The Nominating Committee, in accordance with our Governance Guidelines, will consider the qualifications of any nominee proposed by one or more shareholders.

Proxy Access

In August 2017, we amended and restated our bylaws to implement proxy access, which, subject to certain limitations as set forth in our bylaws, allows a shareholder or a group of up to 20 shareholders owning, continuously for at least three years, shares representing at least 3% of our outstanding voting stock entitled to vote in the election of directors, to nominate and include in our Proxy Statement for each Annual Meeting of Shareholders at which directors may be elected, their own qualifying director nominees constituting up to the greater of 2 or 20% of the total number of directors then serving on our Board (subject to certain limitations as set forth in our bylaws). Each of our Board (prior to each Annual Meeting of Shareholders) and the chair of any Annual Meeting of Shareholders shall have the power to determine whether a director nominee has been nominated by a shareholder in accordance with the requirements of the proxy access provisions. Notice of director nominees submitted under the proxy access provisions must include the information required under our bylaws. Such notice must be delivered to our Corporate Secretary at Catalent, Inc., 14 Schoolhouse Road, Somerset, NJ 08873 for nominations for the 2019 Annual Meeting of Shareholders by the dates specified under Shareholder Proxy Access on page 93. The foregoing description of the shareholder proxy access provision included in our bylaws does not purport to be complete and is qualified in its entirety by reference to our bylaws, which are available on our website under http://investor.catalent.com/corporate-governance.

Communications with the Board of Directors

Shareholders or other interested parties wishing to communicate with our Board, any of our Committees, any director individually, or the independent directors as a group may do so by contacting the Corporate Secretary either:

- By mail, addressed care of Corporate Secretary, Catalent, Inc., 14 Schoolhouse Road, Somerset, New Jersey 08873; or

- By email to CorpSec@catalent.com.

Communications will be sent to the appropriate recipient, depending on the facts and circumstances outlined in the communication, but the Corporate Secretary will not forward to directors any spam, junk mail, mass mailing, product complaint, product inquiry, new product suggestion, job inquiry, survey, or business solicitation or advertisement. Material that is unduly hostile, threatening, illegal, or similarly unsuitable will also be excluded.

Standards of Business Conduct

Our Board and all of our employees, including our CEO, principal financial officer, principal accounting officer, and all other executive officers are required to abide by our Standards of Business Conduct to ensure that our business is conducted in a consistently legal and ethical manner. A copy of our Standards of Business Conduct can be found on our website under http://investor.catalent.com/corporate-governance. We will disclose on our website any future amendment to, or waiver from, provisions of our Standards of Business Conduct affecting our directors or executive officers as and to the extent required under applicable SEC and NYSE rules.

Transactions with Related Persons

Our Board has adopted a written policy regarding the review, approval, and ratification of transactions with related persons. This policy provides that a related person must promptly disclose to our Board any related person transaction. No related person transaction will be executed without the approval or ratification of our Board or the Audit Committee. It is our policy that directors interested in a related person transaction will recuse themselves from any vote on a related person transaction in which they have an interest if the amount involved exceeds $120,000 and a related person has a direct or indirect material interest. In general, related persons are our directors and executive officers, shareholders beneficially owning more than 5% of our outstanding stock, and their immediate family members. We refer to such a transaction as a related person transaction.

Since our initial public offering (our IPO) on July 30, 2014, we have not entered into any reportable related person transaction, nor is any related person transaction currently proposed, in which any of our directors, CEO, or executive officers has a direct or indirect material interest.

Executive Officers

JOHN CHIMINSKI

President and Chief

Executive Officer

Age: 54

Mr. Chiminski s biography is set forth above in the Director Nominees section on page 6.

WETTENY JOSEPH

Senior Vice President and

Chief Financial Officer

Age: 46

Mr. Joseph has served as our Senior Vice President and Chief Financial Officer since February 2018. He first joined us in 2008 as our Vice President and Corporate Controller, and held senior finance positions until October 2015, when he was named President, Clinical Supply Services, one of our principal business units. Before joining us, Mr. Joseph held a variety of senior financial positions at the industrial distribution company HD Supply, including as CFO of its $1.2 billion plumbing and HVAC business unit. He also served as Corporate Controller for Hughes Supply, a Fortune 500, NYSE-listed company that was acquired by Home Depot and became part of HD Supply. In his early career, Mr. Joseph spent six years at PricewaterhouseCoopers as an auditor and strategic financial advisor across a variety of industries. Mr. Joseph holds both a master s and bachelor s degrees in accounting from Florida Atlantic University and is a Certified Public Accountant.

JONATHAN ARNOLD

President, Oral Drug Delivery **Age: 52**	Mr. Arnold was named President of our Oral Drug Delivery business in October 2017. Previously, he served for six years as Vice President and General Manager of our Drug Delivery Solutions business unit. Mr. Arnold s career in the life sciences contract development and manufacturing organization sector began in 1995, when he joined RP Scherer, a specialist in softgel technologies and now an important part of Catalent, where he served in a variety of international business development and strategic customer account roles over the course of 5 years. Mr. Arnold then spent 11 years working for Patheon, another contract development and manufacturing organization, in multiple different locations, including Italy, the U.K., and Switzerland, serving in roles of increasing responsibility, including Vice President of Global Supply Chain and, ultimately, Chief Procurement Officer, before returning to us in 2011. Prior to working in the life sciences sector, Mr. Arnold had an international business development and strategic marketing role for the U.K. s largest waste management company, Shanks & McEwan. Mr. Arnold earned his bachelor s degree in Agricultural, Biochemistry and Nutrition from the University of Newcastle upon Tyne, U.K.

William Downie

Senior Vice President,

Global Sales & Marketing

Age: 51

Mr. Downie has served as our Senior Vice President, Global Sales & Marketing since June 2010. He joined us as Group President, Medication Delivery Solutions, and Senior Vice President, Global Sales & Marketing in October 2009. Prior to joining us, Mr. Downie served as Vice President and Global Leader of Molecular Imaging at GE Healthcare. Before that, he held several executive positions in other GE Healthcare units, including Vice President and General Manager, Medical Diagnostics-Europe, Middle East and Africa, and Vice President of Sales for Medical Diagnostics-Europe. Prior to GE Healthcare, Mr. Downie was with Innovex UK Limited (part of Quintiles, Inc.), where he held several positions in operations and sales/marketing. Earlier in his career, he held leadership positions with Sanofi-Synthelabo UK; Sanofi-Winthrop Limited; and Merck & Co., Inc. Mr. Downie holds a B.S. degree in biochemistry from the University of Edinburgh.

Steven L. Fasman

Senior Vice President,

General Counsel, and

Corporate Secretary

Age: 56

Mr. Fasman was named Senior Vice President, General Counsel, and Corporate Secretary in October 2014, when he joined us. Prior to that, he served as Executive Vice President-Law of MacAndrews & Forbes Holdings Inc., a privately held diversified holding company, from January 2012 to March 2014. Before that, Mr. Fasman held various positions at MacAndrews & Forbes since 1992 of increasing responsibility. From 2008 through March 2014, he also served as General Counsel and Chief Compliance Officer of M & F Worldwide Corp., a holding company with interests in financial products, customer calling centers, staffing operations, educational software and flavoring products. From 2008 to 2011, Mr. Fasman also served as a director of SIGA Technologies, Inc., a biodefense company. Mr. Fasman spent his early career at the law firm of Paul, Weiss, Rifkind, Wharton & Garrison, where he focused on domestic and international litigation and regulatory proceedings. Mr. Fasman holds a law degree from Yale University and an A.B. degree in mathematics from Princeton University. Mr. Fasman is a trustee of the Jewish Board of Family & Children s Services in New York City.

ARISTIPPOS GENNADIOS, PH.D.

President, Softgel Technologies **Age: 53**	Dr. Gennadios has served as our President, Softgel Technologies since September 2013. Previously, he served as Vice President and General Manager of Softgel Technologies. Dr. Gennadios has worked in the pharmaceutical industry since 1996 in roles including R&D, field sales, business development, operations and leadership. He joined our predecessor company, Cardinal Health, in 2002 and has held several key leadership posts within the softgel technologies business, including Global Vice President of Business Development for Softgel Technologies, General Manager of the Oral Development Center in Somerset, NJ, and Vice President and General Manager for Prescription Softgel and Consumer Health products. Dr. Gennadios holds a bachelor s degree in chemical engineering from the National Technical University of Athens, Greece and a master s degree in agricultural engineering from Clemson University. He also holds a doctorate in engineering from the University of Nebraska and an M.B.A. from Wake Forest University.

Scott Gunther

Senior Vice President, Quality & Regulatory Affairs

Age: 51

Mr. Gunther was named our Senior Vice President of Quality & Regulatory Affairs in May 2017. Mr. Gunther joined us in 2012 as Vice President, Quality and most recently oversaw the quality function for the United States sites in our Drug Delivery Solutions business unit. Previously, he concurrently served as an interim Vice President of Product Development for our Drug Delivery Solutions business unit. Prior to joining us, Mr. Gunther spent 22 years with Bristol-Myers-Squibb (Bristol) in various roles of increasing responsibility. In his last role at Bristol, he held the position of Executive Director Quality Operations Americas, where he was responsible for quality operations at its manufacturing sites in the U.S., Puerto Rico, and Latin America. Mr. Gunther holds a B.S. degree from the State University of New York College at Buffalo and an M.B.A. degree from Canisius College.

Paul Hegwood, Jr.

President, Clinical Supply Services

Age: 60

Mr. Hegwood was named our President, Clinical Supply Services in May 2018. Previous roles at Catalent include Vice President, Clinical Supply Services Operations between April 2017 and May 2018, where he oversaw all clinical supply facilities with an emphasis on quality, service delivery excellence, and operational harmonization; Global Vice President, Customer Service Excellence between April 2015 and April 2017, where he focused on driving excellence and service delivery throughout our global network; and Vice President of Operations for Development and Clinical Services between February 2012 and April 2015. He was instrumental in the expansion of our footprint within the Asia-Pacific region, including the opening of our Shanghai facility in October 2013. Prior to joining us, Mr. Hegwood held senior operational roles at Stanadyne Corporation, Delphi, and General Motors and had extensive experience developing operations in several emerging markets including China. He has a BS in Mechanical Engineering from Kettering University and an MBA from the University of Michigan.

Barry Littlejohns

President, Biologics & **Specialty Drug Delivery** **Age: 52**	Mr. Littlejohns was named our President, Biologics & Specialty Drug Delivery in October 2017. Previously, he was President of our Drug Delivery Systems Solutions since July 2013. Prior to that, he led our Medication Delivery Solutions business from July 2011 to July 2013. He rejoined us in 2011 after two years as Senior Vice President of Operations and Business Development at Danish biotechnology company Genmab, where his responsibilities included strategic licensing and manufacturing oversight. Prior to Genmab, he served in a broad range of leadership roles at Catalent. These include Vice President of Global Business Operations, Vice President of Commercial Affairs for Medication Delivery Solutions, Vice President and General Manager of Injectables, and various financial, operational and leadership roles. He joined our predecessor RP Scherer Corporation in 1989. Mr. Littlejohns has a degree in business & finance from Swindon College, UK.

Alessandro Maselli

Senior Vice President Global Operations

Age: 46

Mr. Maselli was named our Senior Vice President, Global Operations in September 2016. He joined us in 2010 as Director of Operations at our pharmaceutical, nutritional and cosmetics plant in Aprilia, Italy. In 2013, Mr. Maselli was appointed General Manager of Zydis® operations at our facility in Swindon, U.K., and, in 2015, became Vice President of Operations, Europe, for our Drug Delivery Solutions business unit. Prior to joining us, Mr. Maselli held operational and business leadership roles at Alstom and SGS S.A. From 1998 to 2006, he held roles of increasing responsibility from process engineer to operations director at ABB Group. Mr. Maselli began his career as automation systems engineer in the food industry. A native of Italy, Mr. Maselli earned bachelor s and master s degrees in electronic engineering from the University of Rome.

Lance Miyamoto

Senior Vice President Global Human Resources

Age: 63

Mr. Miyamoto was named our Senior Vice President, Global Human Resources in March 2011. Prior to joining us, Mr. Miyamoto ran his own consulting business, and, prior to that, he held a number of Human Resources leadership roles in other companies, including Executive Vice President of Comverse Technology Inc. He also served as Executive Vice President of HR for AOL LLC, a division of Time Warner Inc., from 2004 to 2007. From 2001 to 2004, Mr. Miyamoto was Executive Vice President of HR for Lexis-Nexis, a $2.2 billion division of Reed Elsevier. He was also a senior executive with Dun and Bradstreet with responsibility for performance development.

Mr. Miyamoto is a graduate of Harvard University, and holds an M.B.A. degree from the Wharton School of the University of Pennsylvania, where he was a COGME (Council for Graduate Management Education) Fellow.

Ownership of Our Common Stock

Securities Owned by Certain Beneficial Owners, Directors, and Management

The table below shows how many shares of our common stock were owned as of September 4, 2018 by (1) owners of more than 5% of the outstanding shares of our common stock, (2) our current directors, (3) our Named Executive Officers, and (4) all current directors and executive officers as a group. A person has beneficial ownership of shares if the person has voting or investment power over the shares or the right to acquire such power within 60 days. Investment power means the power to direct the sale or other disposition of the shares. Each person has (a) an address at 14 Schoolhouse Road, Somerset, NJ 08873 and (b) sole voting and investment power over the shares, in each case except as described below.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
BlackRock, Inc.(1)	16,721,278	11.5%
T. Rowe Price Associates, Inc.(2)	15,213,453	10.5%
The Vanguard Group(3)	11,865,066	8.2%
John Chiminski(4)	878,885	*
Wetteny Joseph(4)(5)	103,332	*
Jonathan Arnold(4)	58,945	*
William Downie(4)	85,632	*

Steven L. Fasman(4)	105,902	*
Matthew Walsh(6)	11,058	*
Madhavan Balachandran	4,761	*
J. Martin Carroll	16,499	*
Rolf Classon	11,070	*
Rosemary A. Crane	-	*
John J. Greisch	-	*
Christa Kreuzburg	-	*
Gregory T. Lucier	23,068	*
Donald E. Morel, Jr.	17,180	*
Jack Stahl	20,641	*
Directors and executive officers as a group (20 persons)(7)	2,015,518	1.4%

* Represents less than 1%

(1) Information shown is based on information reported by the filer on a Schedule 13G/A filed with the SEC on January 17, 2018, in which BlackRock, Inc. reported that it has sole voting power over 16,047,104 shares and sole dispositive power over 16,721,278 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.

(2) Information shown is based on information reported by the filer on a Schedule 13G/A filed with the SEC on February 14, 2018, in which T. Rowe Price Associates, Inc. reported that it and its affiliates have sole voting power over 4,535,549 shares and sole dispositive power over 15,213,453 shares. The address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, MD 21202.

(3) Information shown is based on information reported by the filer on a Schedule 13G filed with the SEC on February 7, 2018, in which The Vanguard Group reported that it and its affiliates have sole voting power over 258,930 shares, shared voting power over 22,302 shares, sole dispositive power over 11,593,734 shares, and shared dispositive power over 271,332 shares. The address of The Vanguard Group is 100 Vanguard Boulevard, Malvern, PA 19355.

(4) The number of shares beneficially owned includes shares of common stock issuable upon exercise of options that are currently exercisable and/or will be exercisable within 60 days after September 4, 2018, as follows: Mr. Chiminski (272,627), Mr. Joseph (38,437), Mr. Arnold (19,535), Mr. Downie (16,059), and Mr. Fasman (31,829).

(5) The number of shares beneficially owned includes 883 restricted stock units scheduled to vest within 60 days after September 4, 2018.

(6) The address of Mr. Walsh is c/o Allergan, 5 Giralda Farms, Madison, NJ 07940.

(7) Includes 861,402 shares of common stock issuable upon (a) vesting of restricted stock units within 60 days after September 4, 2018 or (b) exercise of options that are currently exercisable and/or exercisable within 60 days after September 4, 2018. Does not include amounts held by Mr. Walsh, who stepped down as Senior Vice President and Chief Financial Officer effective February 6, 2018.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers, and beneficial owners of 10% or more of our shares of common stock to file reports with the SEC about their ownership of and transactions in our common stock. Based on our records and other information, we believe that all reports required to be filed under Section 16(a) during fiscal 2018 were timely filed, except for the inadvertent omission of 33 shares of common stock from Mr. Arnold s timely filed Form 3 of November 6, 2017, which shares were reported on an amended Form 3 in September 2018.

Equity Compensation Plan Information

The following table provides certain information as of June 30, 2018 regarding our equity compensation plans.

Plan category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights[3]	(b) Weighted-average exercise price of outstanding options, warrants and rights[4]	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders[1]	3,479,275	$28.07	2,184,859

Equity compensation plans not approved by security holders(2)	966,840	$16.99	-(5)

(1) The amounts set forth in this row relate to grants under the Catalent, Inc. 2014 Omnibus Incentive Plan (the Omnibus Plan), which was approved by a majority shareholder prior to our 2014 IPO. If our shareholders approve Proposal 4, relating to our new 2018 Omnibus Incentive Plan, then we will stop issuing awards under the Omnibus Plan, but all of the shares that otherwise would have been available for issuance thereunder will be available for issuance under the new plan.

(2) Our Board approved the 2007 PTS Holdings Corp. Stock Incentive Plan (the Pre-IPO Stock Plan) on May 7, 2007, and it was amended on September 8, 2010 and June 25, 2013, all prior to our IPO. (PTS Holdings Corp. is a former name of Catalent, Inc.)

(3) For the Omnibus Plan, the amount reported in this column excludes 473,234 performance-based restricted stock units (PSUs) that have the potential to vest if the maximum performance targets are met for the Adjusted EPS PSUs and Relative Return PSUs issued thereunder. Assuming maximum PSU targets are met, the total number of securities to be issued upon exercise of outstanding options, warrants, and rights as of June 30, 2018 is 3,952,509. All awards under the Pre-IPO Stock Plan were stock options, except for 260,480 restricted stock units ("RSUs") granted to Mr. Chiminski and 64,400 RSUs granted to Mr. Walsh, each of which converted to one share of our common stock and none of which remains outstanding.

(4) The weighted-average exercise price does not take into account RSUs, restricted stock, PSUs, and performance-based restricted stock, which by their nature do not have an exercise price.

(5) As of May 7, 2017, awards may no longer be made under the Pre-IPO Stock Plan.

Director Compensation

We provide competitive compensation to our non-employee directors to attract and retain qualified directors. The principal elements of our non-employee director compensation are an annual cash retainer; an annual equity award of restricted stock units, each of which represents the right to receive one share of our common stock (RSUs); and additional cash fees for our Lead Director, Committee Chairs and Audit Committee members. Our director who is employed by us receives no cash or equity compensation for service as a director.

During fiscal 2018, the Nominating Committee, with the assistance of Frederic W. Cook & Co., Inc. (FW Cook), an independent, third-party consultant that also serves as a consultant to the Compensation Committee, conducted a review of our non-employee director compensation program, which had not been revised since our IPO in 2014, in order to evaluate its efficacy and attractiveness for recruiting and retaining high-quality directors. Based on the work done by FW Cook, which included a study of our compensation practices compared to those of the same compensation peer group used by our Compensation Committee (described below in our Compensation Discussion & Analysis starting on page 35) as well as a review of other market data, the Nominating Committee recommended, and our Board subsequently approved, certain changes to the program, as described below, to bring it in line with market medians and maintain its competitiveness versus our peer group.

Annual Cash Retainer

Each non-employee director receives an annual cash retainer of $100,000 for service as a director, with an additional $30,000 annual cash retainer for the non-employee director, if any, serving as the Lead Director. All cash retainers are paid on a quarterly basis, in arrears. Directors do not receive meeting attendance fees, but each of our directors is reimbursed for out-of-pocket expenses incurred in connection with the director s service. Non-employee directors who are newly appointed or elected to our Board during a fiscal year receive an annual cash retainer, paid on a quarterly basis in arrears, in an amount that is prorated from the effective date of appointment or election to the end of such fiscal year.

Equity-Based Compensation

Each non-employee director receives an annual grant in the form of RSUs with a grant date fair value equal to $140,000 (which will increase to $175,000 in fiscal 2019), with any fractional share rounded down to the nearest whole share. The grant date fair value is equal to the closing sales price of our common stock as reported on the NYSE on the date of grant. Ownership of the RSUs vests on the first anniversary of the grant date (provided that the director is still serving as of such date), subject to accelerated vesting upon a change of control. Non-employee directors who are newly appointed or elected to our Board during a fiscal year receive an RSU grant that is prorated from the effective date of appointment or election to the end of such fiscal year.

Committee Chair/Member Fees

We pay an annual cash fee to the Chair of the Audit Committee of $15,000 (which will increase to $25,000 in fiscal 2019) and $10,000 to each of the other Audit Committee members. We similarly pay an annual cash fee to the Chair of each of the Compensation, Nominating, Quality, and M&A Committees of $10,000 (with the fee for the Compensation Committee Chair increasing to $12,500 in fiscal 2019), but no additional fee to the other members of those Committees. All Committee fees are paid on a quarterly basis, in arrears, and prorated in the case of service for a portion of a fiscal year.

Director Stock Ownership Policy

Each of our non-employee directors is required to own stock in an amount equal to five times the annual cash retainer. For purposes of this requirement, a director s holdings include shares held directly or indirectly, individually or jointly, shares underlying vested equity-based awards and shares held under a deferral or similar plan. Each non-employee director is required to retain 100% of the shares received following exercise of options or upon settlement of vested RSUs (net of shares used to satisfy applicable tax withholding obligation, if any) until the required ownership level is met. All of our directors complied with the retention provisions of this policy throughout fiscal 2018 and through the printing of this Proxy Statement.

Deferred Compensation Plan

Under the amended and restated Catalent Pharma Solutions, Inc. Deferred Compensation Plan (the Deferral Plan), our directors may separately elect to defer any portion of their cash fees and up to 100% of RSU awards on a pre-tax basis by making appropriate elections in the calendar year prior to the year in which the services giving rise to such compensation being deferred is rendered. The terms of our Deferral Plan are described generally in the executive compensation section below beginning on page 42.

Matching Gift Program

Our directors may participate in the Catalent Cares matching gift program, which matches on a 1-to-1 basis gifts made by our employees and directors to eligible health and human service nonprofit organizations, subject to a yearly maximum of $1,000.

Director Compensation for Fiscal 2018

For fiscal 2018, our directors received the amounts shown in the schedule below. All cash fees were paid on a quarterly basis, in arrears.

Name[1]	**Fees Earned or Paid in Cash ($)**	**Stock Awards ($)**[2]	**Total ($)**
Madhavan Balachandran[3]	100,000	139,995	239,995
Melvin D. Booth[4]	17,935	-	17,935
J. Martin Carroll	108,505	139,995	248,500
Rolf Classon[5]	110,000	139,995	249,995
Rosemary A. Crane[6]	39,008	51,740	90,748
John J. Greisch[6]	42,806	51,740	94,546
Christa Kreuzburg[6]	37,222	51,740	88,962
Gregory T. Lucier[7]	101,786	139,995	241,781

Donald E. Morel, Jr.	120,000	139,995	259,995
James Quella[(8)]	69,361	172,439	209,356
Uwe Röhrhoff[(9)]	68,681	139,995	208,676
Jack Stahl[(10)]	$140,542	139,995	280,537

(1) Mr. Chiminski did not receive any compensation as a director during fiscal 2018. He received compensation during fiscal 2018 as our employee, and his compensation is reported in this Proxy Statement in the executive compensation tables.

(2) Represents the aggregate grant date fair value of stock awards for fiscal 2018, computed in accordance with the Financial Accounting Standards Board s Accounting Standards Codification (FASB ASC) Topic 718, using the assumptions discussed in Note 12, Equity-Based Compensation, to the consolidated financial statements included in our Annual Report on Form 10-K for fiscal 2018. Messrs. Balachandran, Carroll, Classon, Lucier, and Stahl and Dr. Morel each had 3,976 unvested RSUs as of June 30, 2017. Ms. Crane, Mr. Greisch, and Dr. Kreuzburg each had 1,193 unvested RSUs as of June 30, 2017. See note 6 below.

(3) Mr. Balachandran elected to defer 100% of his annual cash retainer for calendar 2018 under the Deferral Plan.

(4) Mr. Booth retired from our Board as of August 25, 2017.

(5) Mr. Classon elected to defer 50% of his annual cash retainer for calendar 2017 and 2018 and 100% of his annual RSU award under the Deferral Plan.

(6) Became a member of our Board as of February 16, 2018.

(7) Mr. Lucier elected to defer 100% of his annual RSU award under the Deferral Plan.

(8) Mr. Quella retired from our Board as of February 16, 2018. In connection with his retirement, the vesting date of his outstanding stock award was accelerated, resulting in incremental fair value of $32,444, which is included in the amount reported in the Stock Awards column.

(9) Mr. Röhrhoff retired from our Board as of February 4, 2018. His outstanding stock award was forfeited as a result.

(10) Mr. Stahl served as Chair of the Audit Committee from February 4, 2018 until February 16, 2018, and his fee for such service was correspondingly prorated.

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Compensation Discussion and Analysis

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Introduction

This CD&A explains our executive compensation philosophy and programs, and the decisions made by the Compensation Committee of our Board during fiscal 2018, unless otherwise noted. Each reference in this section to a year is a reference to our fiscal year, which ends on June 30, unless otherwise noted.

Our executive compensation program is intended to attract, motivate, retain, and reward our leadership so that they will act to increase shareholder value and to align the interests of our leadership with those of our shareholders on an annual and long-term basis.

In accordance with SEC rules and regulations, this CD&A also discusses the elements of our executive compensation program during fiscal 2018 for our President and Chief Executive Officer, our Senior Vice President and Chief Financial Officer, our other three most highly compensated executive officers, and one additional former executive officer (these six officers collectively are our Named Executive Officers or NEOs). In fiscal 2018, our NEOs were:

EXECUTIVE	TITLE
John Chiminski	Chair of the Board, President and CEO
Wetteny Joseph	Senior Vice President and Chief Financial Officer
Jonathan Arnold	President, Oral Drug Delivery
William Downie	Senior Vice President, Global Sales and Marketing
Steven L. Fasman	Senior Vice President, General Counsel & Secretary
Matthew Walsh*	Former Executive Vice President and Chief Financial Officer

* Mr. Walsh s service as our chief financial officer ended on February 6, 2018 and his employment ended on February 16, 2018.

Executive Summary

Our executive compensation program is intended to attract, motivate, retain, and reward our leadership team. We believe that attracting and retaining superior talent is a key to delivering shareholder returns, and that a competitive compensation program supports this. Therefore, our executive compensation package ties a significant portion of executive pay to performance.

The following is a summary of important aspects of our executive compensation program.

Principle
Balanced mix of pay components and incentives. Our compensation program targets a market-based mix of cash and equity compensation, and of short and long-term incentives. The principal elements of our program are salary, performance-based annual bonus and long-term equity awards.
Pay for Performance. We emphasize pay-for-performance to align executive compensation with our business strategy. Approximately 87% of the target total direct compensation of our CEO in 2018 was variable or performance-based.
Share Retention. Our Compensation Committee has established stock ownership guidelines directing our executive officers to hold a multiple of annual salary in the form of shares of common stock in order to align management and shareholder interests.
Pledging and Hedging. Our executives are prohibited from pledging our shares or hedging against the economic risk of such ownership.
Use of Independent Consultant. The Compensation Committee has engaged an independent, third-party consultant, Frederic W. Cook & Co., Inc. (FW Cook), to assist it in designing our compensation program and making compensation decisions as we seek to align with best practices.

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Principle

Claw-Back/Forfeiture Provisions. The terms of our long-term, equity-based awards allow us in certain circumstances to claw back shares received pursuant to such awards or to require the repayment of all gains realized on the vesting or exercise of such awards.

Compensation Peer Group. The Compensation Committee uses a group of peer companies, selected with the assistance of its independent compensation consultant, FW Cook, to benchmark its pay levels and benefit packages.

Shareholder Say-on-Pay. At the 2017 Annual Meeting of Shareholders, our shareholders voted 98.1% in favor of our say-on-pay proposal, demonstrating their concurrence that our executive compensation program reflects a pay for performance philosophy. In fiscal 2018, the Compensation Committee took into account the outcome of the shareholder advisory vote when making decisions relating to the compensation of our NEOs and our executive compensation program and policies. Based on the level of support, the Compensation Committee did not see a need for substantive changes to our compensation program.

Overview of 2018 Business Performance and Executive Compensation

2018 BUSINESS PERFORMANCE

REVENUE OF

NET EARNINGS OF

$2,463.4 MILLION

GROWTH OF **16%** ON CONSTANT-CURRENCY BASIS[1]

$83.6 MILLION

$0.63 PER DILUTED SHARE

ADJUSTED EBITDA OF

$550.7 MILLION

GROWTH OF **20%** ON CONSTANT-CURRENCY BASIS[2]

NET LEVERAGE RATIO OF

4.2x

4.9x INTEREST COVERAGE RATIO

SHAREHOLDER RETURN OF

19%

COMPLETED

major biologics

ACQUISITION

CONTINUED TO REINVEST A SIGNIFICANT PORTION OF OUR FREE CASH FLOW IN ATTRACTIVE, STRATEGIC, GROWTH-DRIVING ASSETS

Please note: Further information concerning the non-GAAP performance measures discussed in this section, including information concerning reconciliations between these measures and the most directly comparable U.S. GAAP-based measures, may be found in the footnotes set forth on page 1 of this Proxy Statement and in Appendix A to this Proxy Statement, entitled Non-GAAP Financial Measures, beginning on page A-1 of this Proxy Statement.

2018 COMPENSATION HIGHLIGHTS

As highlighted above, in 2018 we delivered strong financial performance. The Compensation Committee determined that our CEO exceeded his individual goals for 2018 and each of our other NEOs partially met or exceeded their respective individual goals for 2018.

EXECUTIVE PAY MIX FOR 2018

As shown in the charts below, the majority of target total direct compensation for our CEO and other NEOs during 2018 consisted of variable pay elements specifically, the short-term incentive award (which was targeted as 17% and 25%, respectively, of our CEO s and our other NEOs target total direct compensation) and long-term, equity-based compensation (which was targeted as 70% and 42%, respectively, of our CEO s and our other NEOs target total direct compensation). The Compensation Committee believes this allocation aligns with our compensation philosophy of motivating our CEO and other NEOs to achieve our performance objectives in the short term and to grow the business to create value for our shareholders in the long term. In addition, at the 2017 Annual Meeting of Shareholders, our shareholders voted 98.1% in favor of our say-on-pay proposal, demonstrating their concurrence that our executive compensation program reflects a pay for performance philosophy.

CEO Target Direct Compensation **Other NEOs Target Direct Compensation**

These charts do not include other compensation, pension values, and nonqualified deferred compensation earnings, which are shown in the Summary Compensation Table in this Proxy Statement.

CEO 2018 COMPENSATION OVERVIEW

EMPLOYMENT AGREEMENT

Mr. Chiminski, our CEO, entered into a three-year employment agreement in October 2014. In connection with the end of that agreement s term, the Compensation Committee worked with its independent compensation consultant to review the terms of the agreement in light of Mr. Chiminski s performance over the life of the contract as well as the comparable compensation data from our compensation peer group. In light of his performance, the lack of any revision to this target total direct compensation during the period, and the relevant market data, the Compensation Committee and our Board concluded in August 2017 that certain revisions should be made to the terms of his compensation, as described below, and that the agreement should be extended for an additional three-year term. The employment agreement aligns Mr. Chiminski s compensation with comparable CEOs in our executive compensation benchmarking peer group. Mr. Chiminski s total compensation consists of salary, an annual bonus opportunity, long-term equity incentives, and the right to participate in benefit programs generally available to executives. The employment agreement with Mr. Chiminski is discussed in detail in Executive Agreements.

SALARY

Mr. Chiminski s base salary increased from $975,000 to $1,025,000 effective August 23, 2017 (when his employment agreement was amended) in consideration of his performance and reflecting market data provided by the Compensation Committee s independent compensation consultant.

BONUS

Mr. Chiminski received a $1,774,400 bonus in respect of his performance in fiscal 2018 under the terms of our Management Incentive Plan (the MIP), which is our annual bonus incentive plan for our senior executives, including our NEOs. His MIP award was based on performance in relation to the annual cash bonus opportunity target of $1,371,780 (reflecting a target of $1,500,000 at the beginning of the year, revised downwards to $1,350,000 with the August 2017 amendment of his employment agreement), with a maximum limit under the MIP of 174.4% of target. As described below in the section titled Management Incentive Plan, our performance in fiscal 2018 resulted in 120.5% achievement against the business performance targets that determined 70% of the MIP bonus for Mr. Chiminski and all other senior executives, with the Compensation Committee determining the remaining 30% based on individual achievement.

Mr. Chiminski s MIP award was equal to 129.4% of his target opportunity. The Compensation Committee believes that his 2018 MIP compensation appropriately reflected our financial performance for the year and his individual contributions as our CEO, in particular his strategic accomplishments and execution in connection with the acquisitions and dispositions carried out in pursuit of our long-term strategic plan.

LONG-TERM INCENTIVE AWARD

During fiscal 2018, Mr. Chiminski, along with our other NEOs, received long-term incentive compensation awards as part of our long-term incentive plan (the LTIP). Those awards are discussed in detail below.

TOTAL DIRECT COMPENSATION

The chart below shows Mr. Chiminski s total direct compensation for the fiscal years 2017 and 2018 and is comprised of salary, MIP, and LTIP (using grant date fair value). This chart does not include other compensation, pension values and nonqualified deferred compensation earnings, which are shown in the Summary Compensation Table. The chart includes Mr. Chiminski s actual bonus for fiscal 2018 and assumes that his long-term incentive compensation will pay out at target. The actual amounts paid could be higher or lower (for further information on our long-term incentive plan, see the section entitled Compensation Determinations for 2018 Long-Term Incentive Awards).

EXECUTIVE AGREEMENTS

As discussed in more detail later in this CD&A, we are party to agreements with our NEOs to attract and retain these executives. The agreements with Messrs. Chiminski and Arnold are employment agreements that define the nature of each officer s employment, compensation and benefits, including certain compensation and benefits following termination, and restrictive covenants. Our former executive, Mr. Walsh, also had an employment agreement. Messrs. Joseph, Downie, and Fasman have offer letters that set forth the nature of each executive s employment, compensation, and benefits, and Mr. Downie also has a relocation agreement as he formerly worked from and still frequently visits our corporate offices in New Jersey even though his primary residence is in the U.K.

Our Executive Compensation Program

OUR COMPENSATION PHILOSOPHY AND PRINCIPLES

Our executive compensation program ties executive compensation to the successful execution of our overall business goals and adherence to our core values, which we believe best serves the interests of our shareholders. We believe that attracting, motivating, retaining, and rewarding superior executive talent is a key to delivering attractive shareholder returns, and that an appropriately structured executive compensation program is critical to that end. We believe that each element of our program supports the achievement of our compensation philosophy.

Our executive compensation program is designed to attract and retain highly qualified executives, motivate our executives to achieve our business objectives, reward company and individual performance, and align our executives interests with those of our shareholders. Our executives must be of a caliber and level of experience necessary to manage our complex, global business effectively. Given the long-cycle nature of most of our businesses, the complexity and highly regulated nature of our operations, and the competitive nature of our industry, it is especially important for us to retain our executive talent to ensure continuity of management. We seek to implement this philosophy by following three key principles:

Competitive compensation. Providing a competitive compensation package that enables us to attract, motivate, retain, and reward superior executive talent.

Alignment with shareholder interests. Align our executives interests with our shareholders through equity compensation, short- and long-term absolute and relative performance metrics and share retention guidelines.

Linking compensation to performance. Fostering a pay-for-performance philosophy by tying a significant portion of pay to financial and stock-price performance as well as other goals that support the creation of sustainable long-term shareholder value.

EXECUTIVE COMPENSATION PROGRAM ELEMENTS

COMPONENT	DESCRIPTION	OBJECTIVES AND COMMENTS
Cash Compensation		
Base Salary	Fixed cash compensation that is based on performance, scope of responsibilities, experience, and the pay practices of our employment competition.	Attract, motivate, and retain superior talent. Provide a fixed, baseline level of compensation. Annual increase based on market positioning and individual performance.
Annual Bonus Opportunity: **Management Incentive** **Plan (our MIP)**	Annual cash payment tied to our financial results and a set of individually tailored financial and strategic performance objectives.	Variable pay for short-term achievement of financial results and individual goals. For 2018, 70% based on financial performance (budget-based EBITDA, budget-based revenue, and annual capital deployed) and 30% based on individual goals.

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COMPONENT	DESCRIPTION	OBJECTIVES AND COMMENTS
Long-Term Incentive		
Long-Term Equity Incentive Awards	Annual grants of equity-based awards under our Omnibus Plan intended to drive (1) absolute and relative long-term performance relative to pre-established objectives and (2) continuous executive retention. Includes grants of Nonqualified Stock Options, Restricted Stock, performance-based Restricted Stock, RSUs, and performance-based RSUs (PSUs).	Align compensation with the creation of shareholder value and achievement of business goals. Increase equity ownership by executives Promote executive retention and achievement of long-term performance objectives. Reward absolute and relative stock price performance over a multi-year period.
Retirement		
U.S. Savings Plan		

	A tax-qualified 401(k) defined contribution plan that allows U.S. participants to defer a portion of their compensation, subject to Internal Revenue Code limits, and receive a partial employer company matching contribution.	Attract, motivate, and retain superior talent.
U.K. Retirement Plan	A defined contribution retirement plan open to U.K. participants, which also permits a partial employer match on contributions.	Attract, motivate, and retain superior talent.
Deferred Compensation Plan	A non-qualified deferred compensation plan for qualifying U.S. employees that provides opportunities to defer income taxation of a portion of compensation beyond what is permitted under our Savings Plan. The plan allows NEOs and certain other executives to defer up to 80% of total cash compensation, as well as certain grants received under our long-term equity incentive plan, to receive matching contributions equal to 50% of the first 6% of cash compensation deferred, and to invest cash amounts deferred in a variety of investment options.	Attract, motivate, and retain superior talent.
Severance		
Executive Severance and Change-in-Control Benefits	Severance benefits provided to NEOs and certain other executives upon involuntary termination of employment without cause, or upon a good reason termination by the executive.	Attract, motivate, and retain superior talent. Facilitate recruitment and retention of executives by providing income security in the event of involuntary job

Equity grants permit vesting if employment is terminated following a change in control.	loss.

The Compensation Process

THE ROLE OF THE COMPENSATION COMMITTEE, ITS CONSULTANT, AND MANAGEMENT

The Compensation Committee oversees the compensation program for our CEO and our other officers, including our other Named Executive Officers. Management typically formulates the initial proposal concerning a new aspect of executive compensation, including proposing salary levels and the form and content of various compensation programs, including incentive compensation programs and benefit programs such as healthcare and retirement programs. All management proposals as they relate to our NEOs are subject to Compensation Committee review and approval. The Compensation Committee has retained an independent consultant, FW Cook, to help it fulfill its responsibilities, including its review of management proposals. Among other things, FW Cook benchmarks compensation proposals using available market data and trends. In compliance with the NYSE s listing standards and SEC rules, the Compensation Committee in April 2018 conducted its annual independence assessment of FW Cook and concluded that it remains independent of management.

THE COMPENSATION COMMITTEE S PROCESS

In accordance with its charter, the Compensation Committee is responsible for, among other duties:

- reviewing and approving our overall compensation philosophy;
- overseeing the administration of compensation and benefit programs, policies, and practices;
- reviewing and approving the identification of our peer companies with respect to various benchmarking activities and data sources used in evaluating our compensation competitiveness;
- evaluating the performance of the CEO against performance goals and objectives approved by our Board; and
- approving the performance goals, evaluating the performance, and approving the compensation of our executive officers.

THE USE OF MARKET DATA IN DETERMINING COMPENSATION

The Compensation Committee considers numerous factors as it formulates, reviews and approves pay components and the overall structure of our executive compensation program. Among these factors are survey data, scoped to focus on companies with revenue comparable to ours, and the compensation practices of select peer companies, which we refer to as the Comparison Group. During fiscal 2018, the Compensation Committee used a Comparison Group recommended by management with input from FW Cook based on, among other things, similarities in our line of business, revenue, earnings, market capitalization, enterprise value and number of employees. The Committee believed that reference to the Comparison Group was appropriate when reviewing our compensation program during fiscal 2018 because it believed that this group may have competed with us for executive talent. The companies in the Comparison Group that informed compensation decisions for fiscal 2018 were:

Align Technology, Inc.	Bio-Rad Laboratories, Inc.
C.R. Bard, Inc.*	Charles River Laboratories International, Inc.
The Cooper Companies, Inc.	Haemonetics Corporation
Hill-Rom Holdings, Inc.	Horizon Pharma plc
ICON plc	Impax Laboratories, Inc.
Mallinckrodt plc	Mettler-Toledo International Inc.
PAREXEL International Corporation*	PerkinElmer, Inc.
STERIS plc	Syneos Health, Inc. (formerly INC Research Holdings, Inc.)*
United Therapeutics Corporation	West Pharmaceutical Services, Inc.

* Removed by the Compensation Committee on January 30, 2018 for purposes of fiscal 2019 as the companies were no longer considered peers following mergers. Varian Medical Systems and Hologic, Inc. have been added to the Comparison Group for fiscal 2019.

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The Compensation Committee attempts to set the compensation of our executive officers at levels that are generally in the range of the median of the market data, with deviations as appropriate based on individual factors, including tenure, proficiency in role, and criticality to our performance. The Compensation Committee reviews the range of salary, annual incentive targets, and long-term incentive grant values (and the combined total of these elements) of persons holding the same or similar positions at the Comparison Group, based on the most recent market data available. The Compensation Committee then generally seeks to approve compensation elements for our NEOs within a competitive range, assuming payout of performance-based compensation at target. Our executives actual compensation will vary from the target amounts set by the Compensation Committee based on our overall performance and the individual s own performance, as reflected through annual incentive payouts and the value realized upon vesting and exercise of stock-based, long-term incentive awards.

SECTION 162(M) OF THE INTERNAL REVENUE CODE

Subject to certain limitations and terms, § 162(m) of the U.S. Internal Revenue Code (the Code) and its implementing regulations provide that we may not deduct compensation of more than $1,000,000 paid in any year to our CEO and certain other executive officers. Because we only became a publicly traded company upon our IPO on July 30, 2014, we have been subject to a transitional period, during which the restrictions in these rules do not apply to us (though they may apply with respect to certain equity awards granted during the transitional period but that vest and settle thereafter) (the 162(m) Transitional Period). This period is expected to end at our 2018 annual meeting. Thereafter, we expect that the limitations imposed by Code § 162(m) will apply to a portion of the compensation paid by the company.

Furthermore, the exception from the deduction limit in Code § 162(m) for qualified performance-based compensation has been repealed by the Tax Cuts and Jobs Act, effective for taxable years beginning after December 31, 2017, making unavailable the benefits of that exception except in limited circumstances. While we intend to structure executive compensation so as to minimize any limitation imposed by Code § 162(m), we will continue to maintain flexibility and the ability to pay competitive compensation by not requiring all compensation to be deductible to the extent that doing so is consistent with the best interests of our company and shareholders.

Compensation Determinations for 2018

For fiscal 2018, compensation paid to our NEOs consisted of the following elements: base salary, short-term incentive pay in the form of participation in the MIP, equity-based, long-term incentive awards subject to multi-year time- and performance-vesting criteria, and the opportunity to participate in certain benefit programs and other perquisites.

We generally review the base salary and other incentive compensation target amounts of our executive officers, including our NEOs, annually, consistent with the process for our employees generally.

BASE SALARY

Base salary is the principal fixed component of target total direct compensation for NEOs, and is determined by considering the executive s job responsibilities, market data, and the individual s performance and contributions. The Compensation Committee has adopted a practice of reviewing the salaries of our NEOs annually.

Mr. Chiminski s base salary increased to $1,025,000 per year in fiscal 2018, as described above under CEO 2018 Compensation Overview Base Salary. Messrs. Downie and Fasman remained at $390,659 and $550,000, respectively. In connection with Mr. Joseph being promoted to Senior Vice President and Chief Financial Officer in February 2018 (having previously served as President of our Clinical Supply Services business unit), his base salary was increased from $355,000 to $475,000, reflecting his promotion, his performance, and the increased scope of his position. Mr. Joseph s base salary was further increased by the Compensation Committee to $500,000 in July 2018, to more closely align him with our Comparison Group. In connection with Mr. Arnold being promoted to President of our Oral Drug Delivery business unit in October 2017 (having previously served as Vice President and General Manager of Catalent s Drug Delivery Solutions business unit), his base salary was increased from $340,000 to $400,000, reflecting his promotion, his performance, and the increased scope of his position.

MANAGEMENT INCENTIVE PLAN

SUMMARY

The MIP is an annual cash incentive program that rewards performance against annual individual and overall business goals. We extend MIP participation to a broad group of our executives, including our NEOs. For fiscal 2018, 70% of MIP target payouts was based on business goals and 30% was based on individual goals. The Compensation Committee selects the overall business goals for the MIP from among the corporate financial and strategic growth objectives set each year by our Board. The individual goals for each of our NEOs other than our CEO are set jointly by that NEO and the CEO, and the individual goals for our CEO are set jointly by our CEO and the Compensation Committee. These individual goals relate generally to the following categories but are not assigned numerical weightings or measuring criteria: quality and compliance, operational excellence, customer innovation/growth, organizational vitality/leadership, and financial accountability.

A graphical summary of how we calculate payment under our MIP is set forth in the charts labeled MIP Calculation Summary for Fiscal 2018 at the end of this section.

PERFORMANCE TARGETS

For fiscal 2018, the Compensation Committee based 65% of the business goals portion of our MIP on achievement of our Budget-Based EBITDA goal (as defined in Appendix A to this proxy statement); 20% on achievement of our Budget-Based Revenue goal (also as defined in Appendix A); and 15% on achievement of our Annual Capital Deployed goal (with Annual Capital Deployed defined as the average of Capital Deployed over the 12-month period ending on the month of measurement, Capital Deployed for a given month being equal to the working capital for such month divided by the revenue for the 90-day period ending on the last day of such month, computed on an annualized basis).

The Compensation Committee uses Budget-Based EBITDA and Budget-Based Revenue because:

(a) it believes that they are important indicators of increasing value and growth,

(b) they are the primary measures by which we set and measure performance for the fiscal year,

(c) they exclude certain items that would normally be part of a calculation of net earnings but that we believe are not representative of our core business, and

(d) they are widely used measures of overall financial performance.

The Compensation Committee uses Annual Capital Deployed because it believes that this measure incentivizes management to be as efficient as possible in its deployment of our cash resources and thereby enhance our overall profitability.

The Compensation Committee believes that (x) using a weighted combination of these three measures provides a balanced set of business performance targets that focus on growth, profitability, and the most efficient use of our cash resources, (y) the performance targets provide a reasonably achievable, but challenging set of goals for our NEOs and other MIP participants, and (z) tying the NEOs bonuses to company-wide performance goals encourages collaboration across the executive leadership team. These goals are intended to incentivize all participants to maximize their performance for the benefit of our shareholders.

FUNDING FOR, AND PAYMENT OF, MIP AWARDS

Achievement at the levels of our performance targets results in payment of the business-goal portion of the MIP award at 100% of the participant s target amount.

Lesser amounts were payable for achievement between 90% and 100% of targeted performance for Budget-Based EBITDA and Budget-Based Revenue, with 90% achievement entitling the participant to 50% of the participant s target amount. For Annual Capital Deployed, lesser amounts were payable for achievement between a reduction of 0.25% and 1.00%, with a 0.25% reduction entitling the participant to 50% of the participant s target amount.

More was payable for greater achievement, with 184.875% of the target amount payable at the maximum performance of 115% of Budget-Based EBITDA and Budget-Based Revenue and a 2.00% reduction in Annual Capital Deployed (representing a maximum of 187.5% for the Budget-Based EBITDA and Budget-Based Revenue goals and a maximum of 170% for the Annual Capital Deployed goal).

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Achievement between threshold/target and target/maximum results in a decreased or increased payment, as applicable, calculated on a linear basis.

Achievement under 90% of targeted performance on a given goal would result in no payment under our MIP with respect to that goal.

Achievement by each participant, including each of our NEOs, against individual goals can result in payment of the individual portion of the MIP award between 0% and 150% of the target amount. The target amount for each participant in our MIP, including each of our NEOs, is a fixed sum and is reviewed annually by the Compensation Committee, consistent with the process for our employees generally.

For fiscal 2018, the business goals were collectively weighted at 70% of the total payout, and the individual goals were weighted at 30%. Thus, the maximum payout under our MIP is 174.41% of each executive target opportunity (184.875% x 70%, plus 150% x 30%). The Compensation Committee approves the funding for our MIP based on the minimum, target, and maximum payouts.

2018 MIP AWARDS

The business performance goals and achievement level for fiscal 2018, which represented 70% of the overall target MIP award, are as follows (in millions of U.S. dollars, using our internal budget-based currency exchange rates, or percentages):

Performance Measure	Weighting	Threshold Performance (50% of Target)	Target Performance (100% of Target)	Maximum Performance (187.5%/170% of Target)	Actual Performance[(1)]	Actual Performance Adjustment Percentage	Business Performance Factor Payout Percentage
Budget-Based EBITDA	65%	432	480	552	499	120.0%	78.0%
	20%	2,005	2,228	2,562	2,283	110.0%	22.0%

Budget-Based Revenue							
Annual Capital Deployed	15%	-0.25%	-1.00%	-2.00%	-1.63%	136.4%	20.5%
				TOTAL PAYOUT PERCENTAGE			120.5%

(1) In calculating Budget-Based EBITDA and Budget-Based Revenue performance, projected performance from completed acquisitions is excluded.

The CEO, together with the Senior Vice President, Human Resources, evaluated the individual performance of each of our executive officers, including the NEOs other than the CEO, based on the individual s fiscal 2018 goals and objectives. After combining the individual performance metric with the business performance metrics as set forth above, management determined a recommended MIP award for each executive officer, which they presented to the Compensation Committee. In approving MIP awards for the other NEOs, the Compensation Committee considered our financial performance in 2018 and the individual assessment of performance and accomplishments relative to their respective 2018 goals and objectives.

The CEO also presented to the Compensation Committee an assessment of his own individual performance, which the Compensation Committee evaluated in determining the CEO s MIP award, based on his 2018 goals and objectives in the areas of revenue and strategic growth initiatives, integration excellence and inorganic growth, CEO strategic leadership and organizational vitality, cash management and margin initiatives, and operational excellence/quality compliance. Of particular distinction in fiscal 2018 was the CEO s strategic accomplishments and execution in connection with the acquisitions and dispositions carried out in pursuit of our long-term strategic plan. The Compensation Committee did not assign weights in considering these areas, but took account of the differing levels of focus in each area as the year progressed.

In August 2018, the Compensation Committee determined the fiscal 2018 MIP award for each of our NEOs. The following table lists each NEO s base salary, MIP payout target, individual achievement factor, and fiscal 2018 MIP award. These awards are also set forth in the Fiscal 2018 Summary Compensation Table on page 50 under the heading, Non-Equity Incentive Plan Compensation.

Name	2018 Base Salary ($)	MIP Target Amount ($)	Individual Achievement Factor (30%)	Total MIP Award ($)
John Chiminski	1,017,610	1,371,780	150%	1,774,400
Wetteny Joseph	418,610	315,640	110%	370,402
Jonathan Arnold[(1)]	387,095	266,667	85%	288,356
William Downie[(1)]	390,659	292,994	100%	335,040
Steven L. Fasman	550,000	412,500	150%	533,570

Matthew Walsh[2]	432,074	506,250	-	-

[1] Messrs. Arnold s and Downie s compensation is converted to Swiss francs and U.K. pounds sterling, respectively, before weekly payroll or bonus amounts are calculated.

[2] Mr. Walsh s employment ended on February 16, 2018, rendering him ineligible for a fiscal 2018 MIP award.

MIP CALCULATION SUMMARY FOR FISCAL 2018

Provided below is a graphical summary of how we calculated payment under our MIP for fiscal 2018.

LONG-TERM INCENTIVE AWARDS

Our long-term incentive compensation program is extended to a broad group of our senior executives, including our NEOs, and has generally included three types of equity-based grant:

- time-based stock options;
- time-based RSUs or restricted stock (Restricted Stock), in which there is a fixed grant to the recipient subject only to a time-based vesting requirement; and
- performance-based restricted stock units (PSUs) or Restricted Stock (Performance Shares), in which there is a variable grant, with the number of units or shares ultimately earned based on the achievement of performance criteria over a multi-year performance period, subject to continuing service through the date of performance-period certification.

By awarding grants with a multi-year performance and vesting period, we appropriately align executives with the long-term best interests of our shareholders. Grants to our NEOs in fiscal 2017 were divided into PSUs (50% of the value awarded), stock options (30%), and RSUs (20%). In fiscal 2018, grants were similarly distributed, but our NEOs and certain other senior executives received Performance Shares and Restricted Stock rather than PSUs and RSUs, respectively, in order to maximize the availability of the exception from the tax deduction limitations imposed by Code § 162(m).

In fiscal 2018, the following long-term incentive grants were awarded to our CEO and our other NEOs (which awards are also set forth in the Fiscal 2018 Summary Compensation Table on page 50 under the heading, Stock Awards and Option Awards):

Name	Total Grant Value of 2018 Long-Term Incentive Awards ($)	Value of 2018 Stock Option Grants ($)	# of 2018 Stock Options Granted	Grant Value of Other Stock-Based 2018 Awards ($)[(1)]	#of Stock-Based Awards Granted[(1)]
John Chiminski	5,625,227	1,687,513	164,803	3,937,714	110,029
Wetteny Joseph	900,089	120,006	11,528	780,083	19,735
Jonathan Arnold	840,109	132,011	11,998	708,098	19,050

William Downie	500,096	150,008	14,410	350,088	9,702
Steven L. Fasman	840,092	195,000	18,732	645,092	17,612
Matthew Walsh(2)	950,071	285,005	27,378	665,066	18,431

(1) Includes RSUs, PSUs, Restricted Stock, and Performance Shares, where the number and value of PSUs and Performance Shares assume performance at target. For more information, see the table entitled, Grant of Plan-Based Awards Table for 2018, following this CD&A. Certain PSUs previously granted to the NEOs were cancelled and reissued as Performance Shares subject to identical performance criteria in order to take full advantage of the Code § 162(m) Transitional Period. These replacement grants are not reflected above.

(2) The grants awarded to Mr. Walsh in fiscal 2018 were cancelled in accordance with their terms when his employment ended on February 16, 2018.

Awards under our LTIP, which operated prior to our IPO under the Pre-IPO Stock Plan and now operates under the Omnibus Plan, are generally determined and approved by the Compensation Committee on a dollar-value basis, which is then translated into a fixed or target number of options, RSUs, PSUs, Restricted Stock, or Performance Shares as follows:

We use the Black-Scholes method to calculate the value of an option on one share of our common stock, using the closing price per share as reported on the NYSE (the Grant Date Share Price), and divide the option value into the grant value, rounding up to the nearest whole number, to calculate the number of options to award.

We divide the grant value of RSUs and Restricted Stock by the Grant Date Share Price, rounding up to the nearest whole number, to calculate the number of RSUs or shares of Restricted Stock to award.

We divide the grant value of PSUs and Performance Shares by the Grant Date Share Price (or, in the case of Relative Return PSUs and Performance Shares, as defined below, the value derived from a Monte Carlo pricing model, reflecting the valuation s dependence on market conditions), rounding up to the nearest whole number, to calculate the number of PSUs or Performance Shares to award at target, with the actual number of PSUs awarded at vesting or of Performance Shares not forfeited determined by performance compared to a pre-set target level of performance.

Subject to the recipient s continued service with us through each applicable vesting date, one-fourth of the shares subject to stock options will vest on each one-year anniversary of the grant date, and the entire award of RSUs and Restricted Stock will vest on the third anniversary of the grant date. Subject to the recipient s continued service with us through the vesting date, the PSUs and Performance Shares will vest when we determine whether we have met the performance criteria following the end of the three-year performance period.

The target size of the 2018 LTIP award for our CEO was fixed in his employment agreement. Any adjustment to that target, as well as setting the targets for our other NEOS, is performed by the Compensation Committee using a market-based determination of LTIP grant value.

For fiscal 2018, the Compensation Committee set the performance metrics for the PSUs and Performance Shares awarded under our LTIP using adjusted diluted earnings per share (Adjusted EPS) and relative total shareholder return (Relative Return), each of which will apply to 50% of the overall value of PSUs and Performance Shares to be awarded. The target number of Relative Return PSUs and Performance Shares awarded differs slightly from the target number of Adjusted EPS PSUs and Performance Shares due to a slight difference in the U.S. GAAP valuation of each type of performance-based compensation.

Our Adjusted EPS is calculated using the same adjustments used to calculate our Budget-Based EBITDA, which is then further reduced by interest expense, depreciation expense, and tax expense adjusted for discrete items, divided by the weighted average of diluted shares outstanding for the fiscal year (the same methodology used in calculating Adjusted Net Income, which is described in our 2018 Annual Report on Form 10-K). The Adjusted EPS calculations for each fiscal year in the 3-year performance period are then added together and compared to the cumulative target set by the Compensation Committee at the beginning of the performance period.

Achievement of the Adjusted EPS target will earn the participant 100% of the Adjusted EPS target number of shares set forth in an Adjusted EPS PSU. We will distribute fewer shares for achievement below target, with a 75% achievement threshold. At 75% achievement, 50% of the target number of Adjusted EPS PSUs will be earned; no shares are earned for achievement below the threshold. Similarly, the maximum achievement is 125%, with a distribution at 200% of target. The foregoing range of results is also applicable to Adjusted EPS Performance Shares. However, because Performance Shares are issued at the maximum level of achievement (*i.e.*, 200% of target), they are subject to forfeiture percentages ranging from 0% (in the case of maximum achievement) to 100% (in the case of achievement below the threshold), with 50% being forfeited for achievement at target. Earnouts and forfeitures are interpolated for levels of performance between threshold and target, and between target and maximum.

Total shareholder return for both our common stock and the stocks of the Relative Return comparator group will be calculated by determining the change in the price per share of common stock over the performance period, and then adding the total amount of dividends paid during the performance period, assuming reinvestment of dividends for those companies that pay them (we do not currently pay dividends).

Relative Return will be determined by the percentile rank of our total shareholder return during the 3-year performance period relative to the companies comprising the S&P Composite 1500 Healthcare Index, which was made up of 169 companies as of July 2018.

Achievement of the median Relative Return will earn the participant 100% of the Relative Return target number of shares set forth in a Relative Return PSU grant. We will distribute fewer shares for achievement below target, with a 25th percentile achievement threshold. At this percentile, 50% of the target number of Relative Return PSUs will be earned; no shares are earned for achievement below the threshold. Similarly, the maximum achievement is the 75th percentile, with a distribution at 150% of target. The foregoing range of results is also applicable to Relative Return Performance Shares. However, because Performance Shares are issued at the maximum level of achievement (*i.e.*, 150% of target), they are subject to forfeiture percentages ranging from 0% (in the case of maximum achievement) to 100% (in the case of achievement below the threshold), with 33% being forfeited for achievement at target. Earnouts and forfeitures are interpolated for levels of achievement between threshold and target, and between target and maximum.

The Compensation Committee believes that the PSU and Performance Share performance targets in all periods represent reasonably achievable but challenging goals and are intended to incentivize all participants to maximize their performance for the long-term benefit of our shareholders.

The PSUs issued at the beginning of fiscal 2015 with a three-year performance period vested early in fiscal 2018 at a performance level of 108% of target.

Other Benefits Under Our Executive Compensation Program

BENEFITS AND PERQUISITES

We provide to all our employees, including our NEOs, broad-based benefits that are intended to attract and retain employees while providing them with retirement and health and welfare security. Broad-based employee benefits available to our NEOs include:

a 401(k) savings plan for U.S. NEOs, and an equivalent plan under U.K. law for U.K.-domiciled NEOs, both of which provide for a partial employer match of employee contributions;

medical, dental, vision, life and accident insurance, disability coverage, dependent care and healthcare flexible spending accounts; and

employee assistance program benefits.

Under our 401(k) savings plan and the equivalent U.K. plan, we match a portion of the funds set aside by the employee. In the U.S., we match 50% of the first 6% of annual compensation contributed, up to federal tax law limits on both compensation that may be considered for contribution and the amount employees may contribute. In the U.K., the plan provides for an employer matching contribution of 5-8% of eligible base salary compensation dependent on the participant contributing 3-6% of eligible base salary compensation. At no cost to the employee, we provide basic life and accident insurance coverage valued at two times the employee s annual base salary. The employee may also select supplemental life and accident insurance, for a premium to be paid by the employee.

We also provide our NEOs with limited perquisites and personal benefits that are not generally available to all employees, such as executive relocation assistance. We provide these limited perquisites and personal benefits in order to further our goal of attracting and retaining our executive talent. These benefits and perquisites are reflected in the All Other Compensation column of the Summary Compensation Table and the accompanying footnotes in accordance with SEC rules. During 2018, we did not gross up for the income tax consequences of any benefit or perquisite (though there were some tax equalization payments made in respect of two of our NEOs, Messrs. Arnold and Downie, as described below in note 7(D) to our Fiscal 2018 Summary Compensation Table starting on page 50).

DEFERRED COMPENSATION PLAN

Our Deferral Plan permits a broad group of U.S.-based executives, including our U.S.-based NEOs, to defer up to 80% of base salary, commissions (not applicable to NEOs), and MIP bonus by making appropriate elections in the calendar year prior to the year in which the services giving rise to such compensation being deferred is rendered. In addition, as discussed below, these executives may defer their incentive compensation grants (other than options). We credit the first 6% of cash compensation deferred with a matching contribution equal to 50% of the amount deferred. Participants are immediately vested in all amounts they contribute and the related investment gains, but matching contributions and their related investment gains vest ratably over the participant s first four years of service. Participants may choose from a variety of investment options for the cash amounts deferred.

Under the Deferral Plan, we also credit each participant s deferral account with earnings and/or losses based on the deemed investment of the accounts in one or more of a variety of investment alternatives selected by such participant. Participants may elect from a variety of forms of payout, including lump-sum payment and various types of annual installments, with the timing depending on the form selected.

Cash and equity deferrals, company contributions, and applicable gains are held in a rabbi trust. Rabbi trust assets are ultimately controlled by us. Operating the Deferral Plan this way permits participants to defer recognition of income for tax purposes on the amounts deferred until they are paid to the participants.

We believe that providing the NEOs and other eligible participants with deferred compensation opportunities is a market-based benefit plan necessary for us to deliver competitive benefit packages. Additional details of the Deferral Plan follow the table entitled Fiscal 2018 Non-Qualified Deferred Compensation Table, following this CD&A.

DEFERRED VESTING OR SETTLEMENT OF INCENTIVE COMPENSATION GRANTS

From time to time, we have agreed, in the course of arm s-length bargaining with our executives over the terms and conditions of their employment, to set the terms of a PSU or RSU grant so that settlement of the grant (*i.e.*, delivery of the shares of our common stock underlying the RSU or PSU) occurs at a time after the date of vesting. An effect of post-vesting settlement is to defer until settlement recognition of income for U.S. income tax purposes on the receipt of the underlying shares. Messrs. Chiminski and Walsh have each obtained at least one RSU grant that settled on a date after vesting. In addition, the current version of the Deferral Plan permits participants to place unvested incentive compensation grants (other than options) into the plan s rabbi trust in order to delay recognition of income on these awards upon vesting.

SEVERANCE AND PAYMENTS ON A CHANGE OF CONTROL

Our NEOs are eligible for severance benefits in connection with a termination of employment and/or a change of control in certain circumstances. The severance benefits are discussed below, and certain aspects of these benefits are further presented in the Fiscal 2018 Potential Payments upon Employment Termination or Change of Control Tables beginning on page 60.

MR. CHIMINSKI SEVERANCE, TERMINATION, AND CHANGE OF CONTROL BENEFITS

Mr. Chiminski s employment agreement, the Omnibus Plan, and the grant agreements thereunder each provide for certain benefits to be paid to him upon termination.

If Mr. Chiminski s employment terminates due to his disability or death, he or his estate (as the case may be) would become entitled to a pro-rata portion of any annual bonus he would have earned for the year of termination, based on our actual performance in respect of the full bonus year, to be paid within 2 ½ months of the end of the fiscal year in which termination occurred

Should Mr. Chiminski s employment terminate due to death, his beneficiaries (i) will receive a death benefit equal to 1.5 times his base salary (currently $1,537,500) under a group life insurance program we provide that covers all eligible active employees, and (ii) will be entitled to accelerated vesting of all unvested grants under the Omnibus Plan. If his employment is terminated due to disability, all unvested grants under the Omnibus Plan will continue to vest as if Mr. Chiminski had continued employment through each applicable anniversary of the grant date.

Mr. Chiminski s employment agreement provides that, upon any termination for good reason or due to Mr. Chiminski s election not to extend the term, he will be entitled to receive certain accrued amounts and benefits, and a pro-rata portion of any annual bonus he would have earned for the year of termination.

The employment agreement further provides that, if Mr. Chiminski s employment is terminated by us without cause, by Mr. Chiminski for good reason, or due to our election not to extend the term, then, subject to his execution, delivery, and non-revocation of a release of claims in our favor, Mr. Chiminski will be entitled to receive, in addition to certain accrued amounts and benefits, and a pro-rata bonus, in the amount set forth in the immediately prior paragraph, an amount equal to two times the sum of (x) Mr. Chiminski s annualized then-current base salary (which salary, for purposes of calculating severance amounts, will in no event be less than $1,025,000) and (y) his annual target bonus, payable in equal monthly installments over a two-year period; *provided, however*, that if such termination occurs within the two-year period following a change in control, such payment will instead be made in a single lump-sum payment within thirty days following the termination date. Notwithstanding the foregoing, our obligation to make such payments will cease in the event of a material breach by Mr. Chiminski of the restrictive covenants contained in the employment agreement (described below), if such breach remains uncured for a period of ten days following written notice of such breach.

In addition to the payments described above, if Mr. Chiminski s employment is terminated by us without cause, by Mr. Chiminski for good reason, or due to our election not to extend the term, Mr. Chiminski (and his spouse and eligible dependents, to the extent covered prior to such termination) will also be entitled to continued participation in our group health plans for up to two years.

The employment agreement provides that Mr. Chiminski would have good reason to terminate employment if any of the following events occur without his consent: (a) any material diminution in his duties, authorities, or responsibilities, or the assignment to him of duties that are materially inconsistent with, or that significantly impair his ability to perform, his duties as our CEO; (b) any material adverse change in his positions or reporting structures, including ceasing to be our CEO or ceasing to be a member of our Board; (c) any reduction in his base salary or target annual bonus opportunity (other than a general reduction in base salary or target annual bonus opportunity that affects all members of senior management proportionately); (d) any material failure by us to pay compensation or benefits when due under his employment agreement; (e) any relocation of our principal office or of his principal place of employment to a location more than 50 miles from its current location in Somerset, New Jersey; or (f) any failure by us to obtain the assumption in writing of our obligation to perform his employment agreement by any successor to all or substantially all of our assets. No termination of his employment based on a specified good reason event will be effective as a termination for good reason unless (x) Mr. Chiminski gives notice to us of such event within 90 days after he learns that such event has occurred (or, in the case of any event described in clauses (e) or (f), within 30 days after he learns that such event has occurred), (y) such good reason event is not fully cured within 30 days after such notice, and (z) Mr. Chiminski s employment terminates within 60 days following the end of the cure period.

In the event of any termination of Mr. Chiminski s employment, other than in the limited circumstances described with respect to a termination for death or disability, without good cause, with good reason, or because of non-renewal of the term (each, a Good Termination), all unvested options granted under the Pre-IPO Stock Plan that remained outstanding would be immediately forfeited under these agreements without consideration as of the termination date. In the event of a Good Termination, Mr. Chiminski would retain the opportunity through the expiration of a portion of the grant of options to him in June 2013 to become vested, subject to attaining any specified performance goal, in a portion of the unvested grant equal to a fraction, not greater than one, the numerator of which is the number of days elapsing from the grant date through the termination date and the denominator of which is the number of days elapsing from the grant date through the date of the event that triggers additional option vesting.

For grants under the Omnibus Plan, if Mr. Chiminski incurred a termination, other than for death, disability, or a change of control that occurs during the period commencing on the date of the consummation of a change of control and ending on the date that is eighteen months following the consummation of such change of control, we could cancel any unvested option, RSU, or PSU and he would forfeit any unvested Restricted Stock or Performance Shares.

Unless otherwise specifically provided for in the stock option agreement, any options that are not vested and exercisable upon Mr. Chiminski s termination of employment will be immediately cancelled. Any option that already vested at the time of a Good Termination will remain outstanding and exercisable generally for one year from the termination date or the date on which the option vested, as applicable, although the period is reduced to 90 days in the case of a termination of employment that is not a good termination and vested options will terminate immediately if we terminate Mr. Chiminski s employment for cause. Any vested option that he does not exercise within the applicable post-termination exercise period will terminate.

SEVERANCE, TERMINATION, AND CHANGE OF CONTROL BENEFITS FOR MESSRS. JOSEPH, ARNOLD, DOWNIE, AND FASMAN

Mr. Joseph s, Mr. Arnold s, Mr. Downie s, and Mr. Fasman s severance agreements, the Omnibus Plan, and the grant agreements thereunder provide for certain benefits to be paid to each of them if their employment terminates for one of the reasons described below. Under the Omnibus Plan, if the employment of any of the foregoing was to terminate due to death, any unvested grant would become fully vested and exercisable; however, if termination was due to disability, any unvested awards under the Omnibus Plan would continue to vest as if the executive had continued employment through each applicable anniversary of the date of grant.

Should Mr. Joseph s or Mr. Fasman s employment terminate due to death, their respective beneficiaries would receive a death benefit equal to 1.5 times their current base salary (currently $750,000 and $825,000, respectively) under our group life insurance program, which covers all eligible active employees. Should Mr. Arnold s employment be terminated due to death, his beneficiaries would receive a death benefit equal to 100% of his current base salary (totaling $401,377 after converting to U.S. dollars) under our benefit plans applicable to Swiss-based employees. Should Mr. Downie s employment be terminated due to death, his beneficiaries would receive a death benefit equal to 4 times his current base salary (totaling $1,562,636 after converting to U.S. dollars) under our U.K. life assurance plan.

If the employment of Mr. Joseph, Mr. Arnold, Mr. Downie or Mr. Fasman was terminated by us without cause or by the executive for good reason, he would become entitled to a severance payment equal to the sum of annual base salary and target annual bonus, payable in equal installments over the one-year period following the date of termination. Messrs. Joseph and Fasman would also be entitled to continued participation in our group health plans (to the extent the executive was receiving such coverage as of the termination date), at the same premium rates as may be charged from time to time for our employees generally, which coverage would be provided until the earlier of (1) the expiration of one year following the date of termination and (2) the date the executive becomes eligible for coverage under at least one group health plan of any other employer. Each NEO is required to enter into a binding general release of claims as a condition of receiving most severance payments and benefits.

Under the Omnibus Plan, in the event of a change in control, to the extent the acquiring or successor entity does assume, continue or substitute for a granted option, if the NEO were to incur a termination without cause during the period commencing on the date of the consummation of a change in control and ending on the date that is eighteen months following the consummation of such change in control, the grants thereunder would become fully vested and exercisable. Other than in the cases of change of control, death, or disability, a termination will result in the cancellation of unvested awards under the Omnibus Plan held by any of Messrs. Joseph, Arnold, Downie, and Fasman.

MR. WALSH SEVERANCE, TERMINATION, AND CHANGE OF CONTROL BENEFITS

Mr. Walsh s employment agreement, the Pre-IPO Stock Plan, the Omnibus Plan, and the grant agreements thereunder each provided for certain benefits to be paid to him upon termination. None of them were applicable upon Mr. Walsh s voluntary departure in February of 2018.

Other Compensation Practices and Policies

EXECUTIVE AGREEMENTS

The following is a description of Mr. Chiminski s employment agreement, as well as of the provisions of agreements and offer letters with our other NEOs, as in effect during fiscal 2018. In addition, our NEOs have entered into agreements with respect to the long-term incentive grants they have received, the terms of which are described elsewhere in this Proxy Statement. Severance agreements and arrangements affecting our NEOs are further described above and in the table entitled the Fiscal 2018 Potential Payments upon Employment Termination or Change of Control Tables including the footnotes, beginning on page 60.

EMPLOYMENT AGREEMENT OF JOHN CHIMINSKI

Mr. Chiminski s current employment agreement provides for a three-year employment term commencing August 23, 2017, which initial term will automatically extend for successive one-year periods thereafter unless one of the parties provides the other with written notice of non-renewal at least sixty days prior to the end of the applicable term.

The terms of the employment agreement include (1) an annual base salary of $1,025,000 (increased from $975,000), subject to discretionary increases from time to time, (2) continued participation in our MIP with an annual target amount of $1,350,000 (compared to target of $1,500,000 and a maximum of $2,000,000 previously), and (3) continued participation in our annual LTIP with target grant value of $5,625,000 for fiscal 2018 (compared to a target of $3,600,000 previously). The agreement permits us to grant Performance Shares and Restricted Stock in lieu of PSUs and RSUs, respectively.

Under his agreement, Mr. Chiminski is entitled to participate in all group health, life, disability, and other employee benefit and perquisite plans and programs in which our other senior executives generally participate. The employment agreement also provides for reimbursement to Mr. Chiminski, on an annual basis during each calendar year of the employment term, for the reasonable cost of (1) premiums for an executive life insurance policy (not to exceed $15,000) and (2) financial services/planning (not to exceed $15,000). He is also entitled to reimbursement for the reasonable legal fees and expenses incurred in connection with negotiating and documenting the 2017 amendment of his employment agreement, subject to customary documentation and an aggregate cap of $20,000.

Pursuant to the terms of the employment agreement, Mr. Chiminski is subject to a covenant not to (x) compete with us or solicit the business of any client or prospective client while employed and for one year following his termination of employment for any reason and (y) solicit our employees or consultants while employed and for two years following his termination of employment for any reason, in each case, subject to certain specified exclusions. The agreement also contains a covenant not to disclose confidential information, an assignment of intellectual property rights and customary indemnification provisions.

OFFER LETTER FOR WETTENY JOSEPH

On January 31, 2018, we provided a letter to Mr. Joseph, with an effective date of February 6, 2018, in connection with his appointment as a senior vice president and our chief financial officer, setting forth certain terms of his employment. The letter set his base salary at $475,000, his MIP target at $360,000, and his LTIP grant value for fiscal 2019 at $665,000.

OFFER LETTER AND EMPLOYMENT AGREEMENT FOR JONATHAN ARNOLD

On October 4, 2017, we provided a letter to Mr. Arnold in connection with his appointment as president of our Oral Drug Deliveries business, setting forth certain terms of his employment. The letter set his base salary at $400,000, his MIP target at $300,000, and his LTIP grant value for fiscal 2018 at $440,000. The letter also provided for a one-time grant of 11,105 RSUs representing $400,000 in grant value, with a vest date of July 24, 2020, as well as relocation of Mr. Arnold and his family from our headquarters in Somerset, New Jersey to our office in Cham, Switzerland.

In addition, consistent with Swiss practice, our Swiss subsidiary entered into an employment agreement with Mr. Arnold in December 2017, setting forth certain terms of his employment. In addition to the base salary and MIP targets set forth in his above-referenced offer letter, the agreement provides for a monthly car allowance of 2,313 Swiss francs and tax preparation services in respect of calendar years 2017 and 2018.

RELOCATION AGREEMENT FOR WILLIAM DOWNIE

In connection with Mr. Downie s repatriation in October 2014, from our corporate offices in the United States to our facility in Swindon, U.K., he entered into a letter agreement dated March 23, 2015 that provides an annual base salary of GBP 278,570 (it is GBP 290,000 as of the date of this Proxy Statement) and continued participation in the MIP with a target of 75% of base salary. Under this letter agreement, Mr. Downie is entitled to participate in employee benefit and perquisite plans and programs in which our other senior executives generally participate. In addition, Mr. Downie is also entitled to participate in our U.K. health benefit plan, continued participation in our U.K. pension plan and the U.K. national insurance contribution program (the U.K. statutory retirement plan), and continuation of his U.K. car allowance, and tax assistance for completing taxes for income earned through the end of his assignment in the U.S.

OFFER LETTER FOR STEVEN L. FASMAN

On October 6, 2014, we provided a letter to Mr. Fasman, with an effective date of October 14, 2014, setting forth certain terms of his employment. The letter set his initial base salary at $500,000 (it is $550,000 as of the date of this Proxy Statement) and grants participation in our MIP with a target set at 75% of base salary. The letter also provides that he will be recommended to receive an LTIP grant equal to 100% of base salary (increased to $650,000 for fiscal 2018).

EMPLOYMENT AGREEMENT OF MATTHEW WALSH

On October 11, 2011, we entered into an employment agreement with Mr. Walsh, with an effective date of September 26, 2011. The agreement provided for an initial term of three years commencing September 26, 2011, which was automatically extended for successive one-year terms thereafter unless one of the parties provided the other with notice of non-renewal no later than 60 days prior to such anniversary date.

The financial terms of the employment agreement included (1) an annual base salary of $600,000, effective September 2011, subject to discretionary increases from time to time (it was $675,000 as of the date of Mr. Walsh s departure from the company) and (2) continued participation in our MIP, with a target annual bonus amount equal to 75% of Mr. Walsh s annual base salary. Mr. Walsh s agreement also entitled him to participate in all group health, life, disability, and other employee benefit and perquisite plans and programs in which our other senior executives generally participate. Mr. Walsh ceased receiving his salary and ceased participating in all benefit and incentive compensation programs when he left our employ in February 2018.

Pursuant to the terms of the employment agreement, Mr. Walsh is subject to a covenant not to (x) compete with us while employed and for two years following his termination of employment for any reason and (y) solicit our employees, consultants and certain actual and prospective clients while employed and for two years following his termination of employment for any reason, in each case, subject to certain specified exclusions. The employment agreement also contains a covenant not to disclose confidential information and an assignment of intellectual property rights.

EXECUTIVE STOCK OWNERSHIP GUIDELINES

Our executive stock ownership guidelines for our CEO and certain of our executives, including the other NEOs, set a multiple of each executive s base salary as the amount of qualifying equity to be acquired and held by each executive. In assessing compliance with the guidelines, we count shares held outright, 50% of the value of unvested Restricted Stock and RSUs, and 100% of shares held in benefit plans, if any. Our guidelines by executive level are as follows:

Class of Executive	Multiple of Base Salary
Mr. Chiminski	5X
Other NEOs	2.5X

If, on the date of any exercise of an option to purchase our common stock or the delivery of our common stock underlying any vested RSU or PSU, an executive has not reached the minimum ownership level under the guidelines, then the executive should retain and not sell that portion of the delivered shares whose market value is equal to at least 50% of the after-tax market value of all shares delivered on that date. For purposes of complying with this provision of the guidelines, the market value is equal to the average closing price per share of our common stock as reported on the NYSE for all trading days in the last month of the prior fiscal year.

All of our NEOs have complied with the retention provisions of these guidelines during fiscal 2018.

HEDGING AND PLEDGING

Our Securities Trading Policy prohibits directors and executive officers from hedging or monetization transactions involving our stock, including, but not limited to, through the use of financial instruments such as exchange funds, variable forward contracts, equity swaps, puts, calls, and other derivative instruments, or through the establishment of a short position in our securities. Though our Securities Trading Policy allows the pledging of our securities to those situations approved by our General Counsel, our current policy is that no such pledging is allowed.

Report of the Compensation Committee

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this Proxy Statement. Based on its review and discussions, the Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this Proxy Statement as filed on Schedule 14A with the SEC.

Submitted by the Compensation Committee:

Gregory Lucier, Chair

J. Martin Carroll

John J. Greisch

Donald E. Morel, Jr.

Date: August 22, 2018

Executive Compensation Tables

The following tables summarize our NEO compensation:

Fiscal 2018 Summary Compensation Table PAGE 50	This table summarizes the compensation earned by or paid to our NEOs for the fiscal years ended June 30, 2018, 2017, and 2016, to the extent applicable, including salary earned, annual incentive plan payments, the aggregate grant date fair value of stock awards and option awards granted to our NEOs, and all other compensation paid to our NEOs.
Fiscal 2018 Grants of Plan-Based Awards Table PAGE 53	This table summarizes all grants of plan-based awards made to our NEOs for the fiscal year ended June 30, 2018.
Fiscal 2018 Outstanding Equity-Based Awards at Year-End Table PAGE 55	This table summarizes the unvested stock awards and all stock options held by our NEOs as of June 30, 2018.

Fiscal 2018 Option Exercises and Stock Vested Table PAGE 58	This table summarizes our NEOs option exercises and stock award vesting during the fiscal year ended June 30, 2018.
Fiscal 2018 Non-Qualified Deferred Compensation Table PAGE 59	This table summarizes the activity during 2018 and account balances under our Deferral Plan as of June 30, 2018, as well as amounts attributable to RSUs that vested prior to fiscal 2018 but where delivery of the underlying shares of common stock was delayed until fiscal 2018. Following the table is a description of our Deferral Plan. For additional discussion of the Deferral Plan, see Compensation Discussion and Analysis Other Benefits under Our Executive Compensation Program Deferred Compensation Plan elsewhere in this Proxy Statement.
Fiscal 2018 Potential Payments upon Employment Termination or Change of Control Tables PAGE 60	These tables summarize payments, rights, and benefits that would be provided to our NEOs in the event of certain employment terminations or a change of control, assuming such event occurred on June 30, 2018.

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Fiscal 2018 Summary Compensation Table

Name and Principal position	Year	Salary ($)[3]	Stock Awards ($)[4]	Option Awards ($)[5]	Non-Equity Incentive Plan Compensation ($)[6]	All Other Compensation ($)[7]	Total ($)[8]
John Chiminski	2018	1,017,610	3,937,714	1,687,513	1,774,400	109,631	8,526,868
Chair, President and Chief Executive Officer	2017	975,000	2,520,078	1,080,000	1,698,750	52,787	6,326,615
	2016	975,000	2,520,060	1,080,003	1,053,750	38,179	5,666,992
Wetteny Joseph[1]	2018	418,610	780,083	120,006	370,402	36,386	1,725,487
Senior Vice President and Chief Financial Officer							
Jonathan Arnold[1]	2018	387,095	708,098	132,011	288,356	282,243	1,797,803

President,							
Oral Drug Delivery							
William Downie	2018	390,659	350,088	150,008	335,040	626,895	1,852,690
Senior Vice President,							
Sales and Marketing	2017	365,333	289,558	124,074	306,156	781,171	1,866,292
	2016	413,565	307,189	131,627	269,076	251,192	1,372,649
Steven L. Fasman	2018	550,000	645,092	195,000	533,570	23,949	1,947,611
Senior Vice President, General							
Counsel, and Secretary	2017	550,000	385,047	165,001	485,719	8,285	1,594,052
	2016	510,275	687,246	150,005	355,225	7,615	1,710,366
Matthew Walsh(2)	2018	432,074	665,066	285,005	-	64,229	1,446,374
Executive Vice President							
and Chief Financial Officer	2017	675,000	472,538	202,502	580,922	41,462	1,972,424
	2016	661,676	455,043	195,003	416,091	20,267	1,748,080

(1) As Messrs. Joseph and Arnold did not qualify as Named Executive Officers in any previous year, disclosure of their compensation for prior years is not required.

(2)

Mr. Walsh s service as our chief financial officer ended on February 6, 2018 and his employment ended on February 16, 2018.

(3) Values reflect the amount actually paid to the NEOs in each fiscal year reported. Mid-year base salary adjustments are not retroactive to the beginning of the fiscal year unless otherwise noted. Amounts reported include any compensation an NEO elected to defer under the Deferral Plan. During fiscal 2018, the Compensation Committee switched to an annual review for our most senior executives, including our NEOs. Prior to that, the Compensation Committee generally reviewed compensation of all employees with a salary of at least $275,000 on an 18-month cycle. Actual changes in compensation may occur earlier based on changes to an employment agreement, performance, and market competitiveness. Mr. Chiminski s base salary increased from $975,000 to $1,025,000 effective August 23, 2017. Mr. Joseph s base salary increased from $355,000 to $385,000 effective July 24, 2017 and from $385,000 to $475,000 effective February 6, 2018. Mr. Arnold s base salary increased from $340,000 to $400,000 effective October 4, 2017, which was then converted to 389,195 Swiss francs effective January 1, 2018 in connection with his relocation to our office in Cham, Switzerland. Mr. Fasman s base salary increased from $500,000 to $550,000 effective April 14, 2016. Mr. Downie s base salary increased from GBP 278,570 to GBP 290,000 effective September 1, 2016. Mr. Walsh s base salary increased from $650,000 to $675,000 effective January 1, 2016. The amounts in Base Salary that were paid to Mr. Arnold in Swiss francs were converted to U.S. dollars at an exchange rate of 1.0313 for fiscal 2018, which represents the average of the monthly rates during fiscal 2018. The amounts in Base Salary that were paid to Mr. Downie in pounds sterling were converted to U.S. dollars at an exchange rate of 1.3471 for fiscal 2018, 1.2681 for fiscal 2017, and 1.4846 for fiscal 2016, which represents the average of the monthly rates during each of those fiscal years, respectively.

(4) Represents the aggregate grant date fair value of stock awards for fiscal years 2018, 2017, and 2016 and computed in accordance with FASB ASC Topic 718, using the assumptions discussed in Note 12, Equity-Based Compensation, to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended June 30, 2018. The amounts reported in this column for the Adjusted EPS PSUs and Performance Shares for fiscal years 2018, 2017, and 2016 assume, in accordance with FASB ASC Topic 718, that the NEOs will receive or retain the target number of PSUs or Performance Shares, respectively, awarded to them in each such fiscal year. If, instead, the performance during the 2018-20 performance period is such that the NEOs receive or retain the maximum number of Adjusted EPS PSUs or Performance Shares capable of being awarded/retained (200% of target), the value of the grants, calculated in accordance with FASB ASC Topic 718, would be as follows:

Name	Fiscal Year	ASC Topic 718 Value at Maximum ($)
John Chiminski	2018	4,922,260
Wetteny Joseph	2018	350,104
Jonathan Arnold	2018	385,116
William Downie	2018	437,603
	2018	568,581

Steven L. Fasman		
Matthew Walsh	2018	831,348

Relative Return PSUs and Performance Shares are subject to market conditions, and not performance conditions, as defined under ASC 718, and therefore do not have maximum grant date fair values that differ from the grant date fair values presented in the table. The actual value of the PSUs or Performance Shares, if any, that ultimately convert to shares of our common stock or are no longer subject to forfeiture, respectively, on the vesting dates will depend on (x) our share price on such dates and (y) our performance according to the applicable performance criteria.

The amount reported for Mr. Fasman in this column for fiscal 2016 includes a one-time equity award of 15,000 RSUs granted on January 28, 2016 to recognize his leading performance and dedication as our General Counsel and for fiscal 2018 a one-time equity award of 5,000 shares of Restricted Stock granted on November 10, 2017 for retention purposes. The amount reported for Mr. Joseph in this column includes a one-time equity award of 11,974 shares of Restricted Stock granted on February 6, 2018 to recognize his promotion to Chief Financial Officer. The amount reported for Mr. Arnold in the column includes a one-time equity award of 11,105 RSUs granted on July 24, 2017 to recognize his impending promotion to President, Oral Drug Delivery.

During fiscal 2018, the PSUs issued to the NEOs (other than Mr. Walsh) during fiscal 2017 were cancelled and reissued as Performance Shares with identical performance criteria in order to take full advantage of the Code § 162(m) Transitional Period. There was no incremental fair value compensation charge associated with this change.

(5) Reflects options we granted to the NEOs to acquire shares of our common stock. Amounts reported reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 using the assumptions discussed in Note 12, Equity-Based Compensation, to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended June 30, 2018. The Black-Scholes value of each stock option granted on October 4, 2017, August 23, 2017, July 24, 2017, July 26, 2016, and August 27, 2015 was $12.12, $9.95, $10.41, $7.15, and $10.76, respectively.

(6) Amounts reported reflect the MIP awards earned by each of our NEOs. Amounts reported include any compensation an NEO elected to defer under the Deferral Plan. Amounts reported were paid in pounds sterling and Swiss francs for Mr. Downie and Mr. Arnold, respectively, and converted to U.S. dollars at the exchange rates set forth in note (3) above.

(7) The amounts set forth as All Other Compensation for fiscal 2018 are further detailed below:

Name	Employer 401(k)	Employer	Employer Non-Qualified	Relocation/ Ex-Pat	Financial Services	Life Insurance	Legal Fee	Employer Health	Other	Total ($)

	Matching Contributions ($)(A)	Qualified Deferred Compensation Matching Contributions ($)(B)	Non-US DC/ Pension Plan Contributions ($)(C)	Allowances & Benefits ($)(D)	Reimbursement ($)(E)	Reimbursement ($)(F)	Policy Reimbursement ($)(G)	Benefit Cost	($)(H)	
John Chiminski	4,125	66,337	-	-	15,126	8,775	7,219	8,409	-	109,631
Wetteny Joseph	7,419	20,918	-	-	-	-	-	8,049	-	36,386
Jonathan Arnold	1,660	11,222	30,760	234,576	-	-	-	4,025	-	282,243
William Downie	-	-	31,253	595,057	-	-	-	585	-	626,895
Steven Fasman	7,650	8,250	-	-	-	-	-	8,049	-	23,949
Matthew Walsh	3,544	30,668	-	-	-	-	-	5,366	24,651	64,229

(A) Our 401(k) qualified defined contribution plan provides that we will match 50% of each participant s contribution on the first 6% of such participant s contributions, up to regulatory limits.

(B) Represents contributions under our Deferral Plan, which, among other features, provides that we will match 50% of each participant s contribution on the first 6% of eligible pay that such participant contributes to the plan, up to any applicable limit.

(C) Mr. Downie participated in the Catalent Pharma Solutions UK Pension Plan, a qualified defined contribution plan, with an employer contribution of 8%. The amounts reported with respect to Mr. Downie in this column were paid in pounds sterling and converted to U.S. dollars at an exchange rate of 1.3471, which represents the average monthly rate during fiscal 2018. Starting in January 2018, Mr. Arnold participated in the Swiss Life Collective BVG Foundation pension plan, a qualified defined contribution plan for employees in Switzerland, with an employer contribution of 15%. The amounts reported with respect to Mr. Arnold in this column were paid in Swiss francs and converted to U.S. dollars at an exchange rate of 1.0313, which represents the average monthly rate during fiscal 2018.

(D) As a result of Mr. Downie repatriating to the UK in March 2015, we provided Mr. Downie with certain temporary lodging accommodations while visiting our Somerset, NJ site and tax equalization benefits. The amount reported in this column for Mr. Downie reflects the following: $49,275 for payment of U.S. housing expenses; $18,455 for his U.K. car and fuel allowance; $500 for tax preparation; and aggregate tax equalization benefits paid by the company of $526,827.

In January 2018, Mr. Arnold was relocated to our Cham, Switzerland office and pursuant to his employment agreement we provided him with permanent relocation benefits under Catalent s International Relocation Policy, which provided international school education for his dependent children (subject to review three years after the date of relocation). The amount reported in this column for Mr. Arnold reflects the following: $161,323 for relocation-related costs; $53,718 for tuition reimbursement and school fees; $14,309 for his Swiss car allowance; and aggregate tax equalization benefits of $5,226 with respect to destination services and an acquisition title fee.

Amounts reported in this column were paid in Swiss francs (in respect of Mr. Arnold) and pounds sterling (in respect of Mr. Downie) and converted to U.S. dollars using an exchange rate of 1.0313 and 1.3471, respectively, which represents the average of the monthly rates during fiscal 2018 for each currency.

(E) Pursuant to the terms of Mr. Chiminski s employment agreement, with respect to each calendar year during the employment term, he is entitled to be reimbursed for the reasonable cost of financial services/planning, subject to an aggregate cap of $15,000 within the calendar year. For fiscal 2018, Mr. Chiminski received financial services/planning reimbursements in the amount of $15,126 (which amount was reimbursed in two calendar years and was in compliance with the aggregate cap for each of such years).

(F) Pursuant to the terms of Mr. Chiminski s employment agreement, with respect to each calendar year during the employment term, he is entitled to be reimbursed for the reasonable cost of premiums for an executive life insurance policy, subject to an aggregate cap of $15,000 within the calendar year. For fiscal 2018, Mr. Chiminski received a premium reimbursement in the amount of $8,775.

(G) Pursuant to the terms of Mr. Chiminski s employment agreement, he is entitled to be reimbursed for the reasonable cost of legal fees/expenses associated with the negotiation of his agreement, subject to an aggregate cap of $20,000. For fiscal 2018, Mr. Chiminski received legal fee reimbursements in the amount of $7,219.

(H) Amount reported for Mr. Walsh in this column represents (a) the payout of earned/unused paid time-off due to his employment ending on February 16, 2018 in the amount of $14,278 and (b) additional compensation of $10,373 received upon his departure in recognition of his years of service to the company.

(8) We have not included columns reporting any amounts as Bonus or as Change in Pension Value and Nonqualified Deferred Compensation Earnings because none of our Named Executive Officers received or earned any bonuses or above-market or preferential earnings during the 2016 to 2018 fiscal years, respectively.

Fiscal 2018 Grants of Plan-Based Awards Table

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payments under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units(3)	All Other Option Awards: Number of Securities Underlying Options(4)	Exercise or Base Price of Option Awards	Grant Da F Val of Sto a Opti Award
me	Grant Date	Threshold ($)	Target ($)	Max ($)	Threshold (#)	Target (#)	Max (#)	(#)	(#)	($/Sh)	
n minski	7/24/2017	480,123	1,371,780	2,392,521				19,989	103,747	$ 36.02	1,800,0
	8/23/2017				12,494	24,987	49,974				900,0
	8/23/2017				12,433	24,865	37,298				900,1
	8/23/2017				7,251	14,502	29,004	11,602	61,056	34.91	1,518,7
	8/23/2017				7,042	14,084	21,126				506,2
	7/24/2017	110,474	315,640	550,508				2,221	11,528	36.02	200,0

tteny eph	2/6/2018							11,974			500,0
	4/25/2018				1,389	2,777	5,554				100,0
	4/25/2018				1,382	2,763	4,145				100,0
athan nold	7/24/2017	93,333	266,667	465,094				1,511	7,839	36.02	136,0
	7/24/2017							11,105			400,0
	10/4/2017							796	4,159	42.23	84,0
	4/25/2018				944	1,888	3,776				68,0
	4/25/2018				940	1,879	2,819				68,0
	4/25/2018				498	995	1,990				42,0