

Emergent BioSolutions Inc.
Form DEF 14A
April 12, 2019

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[TABLE OF CONTENTS](#)

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

Emergent BioSolutions Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

April 12, 2019

Dear Fellow Stockholders:

You are cordially invited to attend the Emergent BioSolutions Inc. 2019 annual meeting of stockholders to be held on May 23, 2019, at 9:00 a.m., Eastern time, at the Gaithersburg Marriott Washingtonian Center, 9751 Washingtonian Boulevard, Gaithersburg, Maryland 20878. Details about the meeting, nominees for the Board of Directors and other matters to be acted on are included in the notice of the 2019 annual meeting and proxy statement that follow.

We hope you plan to attend the annual meeting. Please vote your shares, whether or not you plan to attend the meeting, by proxy using one of the methods described in our proxy statement or the Notice of Internet Availability of Proxy Materials. Your proxy may be revoked at any time before it is exercised as explained in our proxy statement.

If you plan to attend the meeting, please bring photo identification for admission. In addition, if your shares are held in the name of a broker, bank or other nominee, please bring with you a proxy, letter or account statement from your broker, bank or nominee confirming your ownership of Emergent BioSolutions Inc. stock so that you can be admitted to the meeting. If your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the meeting, you must obtain a legal proxy from your broker, bank or other nominee conferring to you its rights to vote the shares at the meeting.

On behalf of the Board of Directors and management, it is my pleasure to express our appreciation for your support.

Sincerely,

Fuad El-Hibri
Executive Chairman of the Board of Directors

YOUR VOTE IS IMPORTANT.

PLEASE TAKE TIME TO VOTE AS PROMPTLY AS POSSIBLE.

Table of Contents

**EMERGENT BIOSOLUTIONS INC.
400 PROFESSIONAL DRIVE, SUITE 400
GAITHERSBURG, MARYLAND 20879**

**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS
To Be Held On May 23, 2019**

To Our Stockholders:

The 2019 Annual Meeting of Stockholders of Emergent BioSolutions Inc. will be held on May 23, 2019, at 9:00 a.m., Eastern time, at the Gaithersburg Marriott Washingtonian Center, 9751 Washingtonian Boulevard, Gaithersburg, Maryland 20878. The 2019 annual meeting is being held for the following purposes, which are more fully described in the proxy statement that accompanies this notice:

1. To elect three Class I directors to hold office for a term expiring at our 2022 annual meeting of stockholders and one Class II director for a term expiring at our 2020 annual meeting of stockholders, each to serve until their respective successors are duly elected and qualified;
2. To ratify the appointment by the audit committee of Ernst & Young LLP as our Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2019;
3. To hold, on an advisory basis, a vote to approve executive compensation; and
4. To act upon any other matter that may properly come before the meeting or any adjournment or postponement of the meeting.

As of the date of this notice, the company has received no notice of any matters, other than those set forth above, that may properly be presented at the 2019 annual meeting. If any other matters are properly presented for consideration at the meeting, the persons named as proxies on the enclosed proxy card, or their duly constituted substitutes, will be deemed authorized to vote the shares represented by proxy or otherwise act on those matters in accordance with their judgment.

The Board of Directors recommends that you vote FOR the election of each of the Class I director nominees and the Class II director nominee, and FOR Proposals 2 and 3. The close of business on March 28, 2019, has been established as the record date for determining those stockholders entitled to receive notice of and to vote at the 2019 annual meeting or any adjournment or postponement thereof.

Your vote is very important. Please read the proxy statement and then, whether or not you expect to attend the annual meeting, and no matter how many shares you own, vote your shares as promptly as possible. You can vote by proxy over the internet, by telephone or by mail by following the instructions provided in the proxy statement and on the proxy card. Submitting your proxy now will help ensure a quorum and avoid additional proxy solicitation costs. If you attend the meeting, you may vote in person, even if you have previously submitted a proxy. However, if your shares are held of record by a broker, bank or other nominee and you wish to vote in person at the meeting, you must obtain a legal proxy from your broker, bank or other nominee conferring to you its rights to vote the shares at the meeting. **If you have any questions about voting your shares or attending the 2019 annual meeting, please contact our Investor Relations department at (240) 631-3200.**

You may revoke your proxy at any time before the vote is taken by delivering to our Corporate Secretary a written revocation, submitting a proxy with a later date or by voting your shares in person at the meeting, in which case your prior proxy will be disregarded.

By Order of the Board of Directors,

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Atul Saran

*Executive Vice President, Corporate Development,
General Counsel and Corporate Secretary*

Gaithersburg, Maryland
April 12, 2019

Table of Contents

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
2019 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 23, 2019**

The company's proxy statement for the 2019 annual meeting of stockholders and annual report on Form 10-K for the fiscal year ended December 31, 2018, are available at <http://materials.proxyvote.com/29089Q>.

**WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOUR VOTE IS IMPORTANT.
IN ORDER TO ENSURE THE REPRESENTATION OF YOUR SHARES AT THE 2019 ANNUAL
MEETING, PLEASE VOTE BY PROXY AS PROMPTLY AS POSSIBLE.**

Table of Contents

TABLE OF CONTENTS

	Page Number
<u>Questions and Answers about the Annual Meeting</u>	<u>1</u>
<u>Corporate Governance</u>	<u>7</u>
<u>Corporate Governance Guidelines</u>	<u>7</u>
<u>Board Independence</u>	<u>7</u>
<u>Meetings and Attendance</u>	<u>8</u>
<u>The Board's Role in Risk Oversight</u>	<u>8</u>
<u>Board Committees</u>	<u>8</u>
<u>Director Nomination Process</u>	<u>12</u>
<u>Skills/Attributes Composition</u>	<u>12</u>
<u>Governance Structure and Lead Director</u>	<u>13</u>
<u>Communicating with the Board of Directors</u>	<u>14</u>
<u>Stock Ownership Information</u>	<u>15</u>
<u>Certain Stockholder Ownership</u>	<u>17</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>17</u>
<u>Proposals to be Voted on at the Annual Meeting</u>	<u>18</u>
<u>Proposal 1. Election of Directors</u>	<u>18</u>
<u>Directors and Nominees</u>	<u>18</u>
<u>Director Nominees</u>	<u>19</u>
<u>Continuing Directors</u>	<u>22</u>
<u>Director Compensation</u>	<u>25</u>
<u>Proposal 2. Ratification of Appointment of Independent Registered Public Accounting Firm</u>	<u>26</u>
<u>Audit Committee Report</u>	<u>27</u>
<u>Independent Registered Public Accounting Firm</u>	<u>28</u>
<u>Proposal 3. Advisory Vote to Approve Executive Compensation</u>	<u>29</u>
<u>Identification of Executive Officers</u>	<u>30</u>
<u>Executive Compensation</u>	<u>32</u>
<u>Executive Compensation Processes</u>	<u>32</u>
<u>Compensation Discussion and Analysis</u>	<u>33</u>
<u>Compensation Committee Report</u>	<u>57</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>57</u>
<u>Summary Compensation Table</u>	<u>58</u>
<u>2018 Grants of Plan Based Awards</u>	<u>60</u>
<u>2018 Outstanding Equity Awards at Fiscal Year-End</u>	<u>62</u>
<u>2018 Option Exercises and Stock Awards Vested</u>	<u>63</u>
<u>Payments Upon Termination or Change in Control</u>	<u>64</u>
<u>Equity Compensation Plan Information</u>	<u>68</u>
<u>Transactions with Related Persons</u>	<u>69</u>
<u>Additional Matters</u>	<u>72</u>

Table of Contents

**EMERGENT BIOSOLUTIONS INC.
400 Professional Drive, Suite 400
Gaithersburg, Maryland 20879**

**PROXY STATEMENT
2019 Annual Meeting of Stockholders**

This proxy statement and the accompanying proxy card are being furnished to you by the Board of Directors of Emergent BioSolutions Inc. (the "Board" or "Board of Directors") to solicit your proxy to vote your shares at our 2019 annual meeting of stockholders and at any adjournment or postponement of the meeting. The annual meeting will be held on May 23, 2019, at 9:00 a.m., Eastern time, at the Gaithersburg Marriott Washingtonian Center, 9751 Washingtonian Boulevard, Gaithersburg, Maryland 20878. We are first furnishing the proxy materials to our stockholders on or about April 12, 2019.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Why am I receiving this proxy statement?

You are receiving this proxy statement from us because you owned shares of the company's common stock as of March 28, 2019, the record date for the annual meeting. The Board has made these materials available to you in connection with the Board's solicitation of proxies for use at our annual meeting.

This proxy statement describes matters on which you may vote and provides you with other important information so that you can make informed decisions. You are requested to vote on each of the proposals described in this proxy statement and are invited to attend the annual meeting.

What does it mean to vote by proxy?

It means that you give someone else the right to vote your shares in accordance with your instructions. In this way, you ensure that your vote will be counted even if you are unable to attend the annual meeting. When you submit your proxy by internet, by telephone or by mail, you appoint each of Robert G. Kramer, Sr. our president and chief executive officer, Richard S. Lindahl, our executive vice president, chief financial officer and treasurer, and Atul Saran, our executive vice president, corporate development, general counsel and corporate secretary, or their respective substitutes or nominees, as your representatives your "proxies" at the meeting to vote your shares in accordance with your instructions. If you give your proxy but do not include specific instructions on how to vote, the individuals named as proxies will vote your shares as the Board recommends, and may vote in their discretion with respect to any other matters properly presented at the annual meeting.

Who is entitled to vote at the annual meeting?

Holders of the company's common stock as of the close of business on the record date, March 28, 2019, may vote at the annual meeting, either by proxy or in person. As of the close of business on March 28, 2019, there were 51,382,454 shares of the company's common stock outstanding and entitled to vote and held by 30 holders of record. The common stock is the only authorized voting security of the

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Table of Contents

company, and each share of common stock is entitled to one vote on each matter properly brought before the annual meeting.

What are the matters to be voted on and what is the Board's recommendation and the applicable voting standard?

Proposal	Voting Choices and Board Recommendation	Voting Standard	Effect of Abstentions	Effect of Broker Non-Votes
1. Election of Directors	<p>Vote in favor of all or specific nominees;</p> <p>Vote against all or specific nominees; or</p> <p>Abstain from voting with respect to all or specific nominees.</p> <p>The Board recommends a vote FOR each of the director nominees.</p>	<p>Plurality of votes cast</p> <p><i>(the nominees who receive the most votes will be the nominees elected by stockholders)</i></p>	None	None
2. Ratification of the appointment of Ernst & Young LLP as the company's Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2019	<p>Vote in favor of the ratification;</p> <p>Vote against the ratification; or</p> <p>Abstain from voting on the ratification.</p> <p>The Board recommends a vote FOR the ratification of Ernst & Young LLP as our Independent Registered Public Accounting Firm.</p>	<p>Majority of votes cast</p>	None	Not applicable
3. Advisory vote to approve executive compensation	<p>Vote in favor of the proposal;</p> <p>Vote against the proposal; or</p> <p>Abstain from voting on the proposal.</p> <p>The Board recommends a vote FOR the advisory vote to approve executive compensation.</p>	<p>Majority of votes cast</p>	None	None

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

You may own shares of the company's common stock in two different ways:

Record Ownership. If your stock is represented by one or more stock certificates registered in your name or if you have a Direct Registration System account in your name evidencing shares held in book-entry form, then you have a stockholder account with our transfer agent, Broadridge Financial Solutions, Inc., and you are a "stockholder of record."

Beneficial Ownership. If your shares are held in a brokerage account or by a bank or other nominee, those shares are held in "street name" and you are considered the "beneficial owner" of the shares. As the beneficial owner of those shares, you have the right to direct your broker, bank or other nominee how to vote your shares, and you will receive separate instructions from your broker, bank or other nominee describing how to vote your shares. You also are invited to attend the annual meeting. However, because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the broker, bank or other nominee that holds your shares giving you the right to vote the shares at the meeting. Note that a legal proxy from your broker, bank or other nominee is *not* the form of proxy available on www.voteproxy.com.

Table of Contents

How can I vote my shares before the annual meeting?

Even if you plan to attend the annual meeting, we recommend that you vote before the meeting, as described below, so that your vote will be counted if you are unable to attend the annual meeting. Voting by internet or by telephone is fast and convenient and your vote is immediately confirmed. Submitting a proxy by internet, telephone or mail prior to the annual meeting will not affect your right to attend the annual meeting and vote in person.

If you hold shares in your own name as a stockholder of record, you may vote before the annual meeting:

By Internet. To vote by internet, go to <http://materials.proxyvote.com> and follow the instructions you find on this website. Your proxy will be voted according to your instructions. If you vote by internet, please do not mail in a proxy card.

By Telephone. To vote by phone, call 1-800-690-6903 (toll-free from the U.S. and Canada) and follow the instructions. If you vote by telephone, please do not mail in a proxy card.

By Mail. If you received your proxy materials by mail, you may vote by completing, signing and returning your proxy card in the enclosed postage-paid envelope.

If you vote by internet or by telephone, please do not mail in your proxy card (unless you intend for it to revoke your prior internet or telephone vote). Your internet or telephone vote will authorize the named proxies to vote your shares in the same manner as if you completed, signed and returned your proxy card. If you sign and return your proxy card or vote over the internet or by telephone but do not provide voting instructions on some or all of the proposals, your shares will be voted on all uninstructed proposals in accordance with the recommendations of the Board. **If you have any questions about voting your shares or attending the annual meeting, please contact our Investor Relations department at (240) 631-3200.**

If you hold shares in street name, your broker, bank or other nominee will provide you with materials and instructions for voting your shares. Please check with your broker, bank or other nominee and follow its voting procedures to vote your shares. Most brokers and nominees offer voting procedures by internet, telephone and mail.

If I hold shares in street name by my broker, will my broker automatically vote my shares for me?

If you hold shares through an account with a bank or broker, the voting of the shares by the bank or broker when you do not provide voting instructions is governed by the rules of the New York Stock Exchange (the "NYSE"). These rules allow banks and brokers to vote shares in their discretion on "routine" matters for which their customers do not provide voting instructions. On matters considered "non-routine," banks and brokers may not vote shares without your instruction.

What is a "broker non-vote" and how would it affect the vote?

Shares that banks and brokers are not authorized to vote are referred to as "broker non-votes." The ratification of the company's independent registered public accounting firm is considered a routine matter. Accordingly, banks and brokers may vote shares on this proposal without your instructions, and there will be no broker non-votes with respect to this proposal.

All other proposals are considered to be non-routine, and banks and brokers therefore cannot vote shares on those proposals without your instructions. Please note that if you want your vote to be counted on those proposals, including the election of directors, you must instruct your bank or broker how to vote your shares. If you do not provide voting instructions, no votes will be cast on your behalf with respect to those proposals.

Table of Contents

Broker non-votes will be counted for purposes of establishing a quorum but will not affect the outcome of the vote on any proposal.

What does it mean if I receive more than one proxy card from the company?

It means that you have more than one account for your shares. Please vote by internet or telephone using each of the identification numbers, or complete and mail all proxy cards to ensure that all of your shares are voted.

What is "householding" and how does it affect me?

The Securities and Exchange Commission ("SEC") has adopted rules that permit companies and intermediaries, such as brokers, to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single Notice of Internet Availability of Proxy Materials or proxy statement and annual report addressed to those stockholders. This process, commonly referred to as "householding," potentially provides extra convenience for stockholders and cost savings for companies. Because we utilize the "householding" rules for proxy materials, stockholders who share the same address generally will receive only one copy of the Notice of Internet Availability of Proxy Materials or proxy statement and annual report, unless we receive contrary instructions from any stockholder at that address. If you prefer to receive multiple copies of the Notice of Internet Availability of Proxy Materials or proxy statement and annual report at the same address, additional copies will be provided to you promptly upon request. If you are a stockholder of record, you may obtain additional copies upon written or oral request to Emergent BioSolutions Inc., Attn: Investor Relations, 400 Professional Drive, Suite 400, Gaithersburg, Maryland 20879; Telephone: (240) 631-3200. Eligible stockholders of record receiving multiple copies of the Notice of Internet Availability of Proxy Materials or proxy statement and annual report can request householding by contacting us in the same manner.

If you are a beneficial owner and hold your shares in a brokerage or custody account, you can request additional copies of the Notice of Internet Availability of Proxy Materials or proxy statement and annual report or you can request householding by notifying your broker, bank or other nominee.

Can I vote in person at the annual meeting?

Yes. If you hold shares in your own name as a stockholder of record, you may attend the annual meeting and cast your vote at the meeting by properly completing and submitting a ballot at the annual meeting.

If you hold shares in street name, you must first obtain a "legal proxy" from your broker, bank or other nominee and submit that "legal proxy" along with a properly completed ballot at the meeting. Under a "legal proxy," the broker, bank or other nominee confers to you all of its rights as a stockholder of record to grant proxies or to vote at the meeting. Please note that if you request a "legal proxy," any previously provided instructions will be cancelled and your shares will not be voted unless you attend the meeting and vote in person or legally appoint another proxy to vote on your behalf.

What do I need to bring to be admitted to the annual meeting?

All stockholders must present a form of personal photo identification in order to be admitted to the meeting. In addition, if your shares are held in the name of your broker, bank or other nominee and you wish to attend the annual meeting, you must bring an account statement or letter from the broker, bank or other nominee indicating your share ownership.

Table of Contents

How can I change my vote or revoke my proxy?

If you hold shares in your own name as a stockholder of record, you may change your vote or revoke your proxy at any time before voting begins by:

Notifying our Corporate Secretary in writing that you are revoking your proxy;

Delivering another proxy (either by internet, telephone or mail) that is dated after the proxy you wish to revoke; or

Attending the annual meeting and voting in person by properly completing and submitting a ballot (attendance at the meeting, in and of itself, will not cause your previously granted proxy to be revoked).

Any written notice of revocation should be delivered to: Emergent BioSolutions Inc., 400 Professional Drive, Suite 400, Gaithersburg, Maryland 20879, Attention: Atul Saran, Corporate Secretary. Alternatively, you may hand deliver a written revocation notice, or a later dated proxy, to the Corporate Secretary at the annual meeting before the voting begins.

If your shares are held in street name, please check with your broker, bank or other nominee and follow the procedures your broker, bank or other nominee provides if you wish to change your vote with respect to those shares.

What is the "quorum" for the annual meeting and what happens if a quorum is not present?

In order to conduct business at the annual meeting, the holders of at least a majority of the total number of shares of the company's common stock issued and outstanding and entitled to vote as of the March 28, 2019 record date, or 25,691,228 shares, must be present in person or represented by proxy. This requirement is called a "quorum." If you vote by internet or by telephone, or submit a properly executed proxy card, your shares will be included for purposes of determining the existence of a quorum. Proxies marked "abstain" and "broker non-votes" also will be counted in determining the presence of a quorum. If the shares present in person or represented by proxy at the annual meeting are not sufficient to constitute a quorum, the annual meeting may be adjourned to a different time and place to permit further solicitations of proxies sufficient to constitute a quorum.

What is an "abstention" and how would it affect the vote?

An "abstention" occurs when a stockholder submits a proxy with explicit instructions to decline to vote regarding a particular matter. Abstentions are counted as present for purposes of determining a quorum. As a general matter, an abstention with respect to the election of directors is neither a vote cast "for" a nominee nor a vote cast "against" the nominee and, therefore, will have no effect on the outcome of the vote. Because an abstention is generally not considered to be a vote "cast" for a particular matter, it will have no effect on the ratification of the appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm or the advisory vote on the compensation of our named executive officers.

Does the company offer an opportunity to receive future proxy materials electronically?

Yes. If you vote on the internet, simply follow the prompts for enrolling in electronic proxy delivery service. This will reduce our printing and postage costs, as well as the number of paper documents you will receive.

If you are a stockholder of record, you may enroll in this service at the time you vote your proxy or at any time after the annual meeting and can read additional information about this option and request electronic delivery by going to www.proxyvote.com. If you hold shares in street name, please contact your broker, bank or other nominee to enroll for electronic proxy delivery.

Table of Contents

Who will conduct the proxy solicitation and who will bear the cost?

The costs of soliciting proxies will be borne by us. The solicitation is being made primarily through the mail and electronic mail, but our directors, officers and employees may also engage in the solicitation of proxies in person, by telephone, electronic transmission or by other means. No compensation will be paid by us in connection with the solicitation of proxies, except that we may reimburse brokers, banks, custodians, nominees and other record holders for their reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners.

Who will count the votes?

Broadridge Financial Solutions, Inc. will tabulate the votes cast by internet, telephone and mail. Brian Millard, Vice President, Corporate Controller, Finance and Administration, will tabulate any votes cast at the annual meeting and will act as inspector of election to certify the results.

Where can I find the voting results of the meeting?

We will publish the voting results in a Form 8-K filed with the SEC within four business days after the annual meeting. You can read or print a copy of that report by going to either the company's website at www.emergentbiosolutions.com under the section "Investors SEC Filings" or the SEC's website at www.sec.gov.

Will a list of stockholders entitled to vote at the annual meeting be available?

A list of stockholders of record as of March 28, 2019, the record date, will be available for inspection by stockholders for any purpose germane to the annual meeting during normal business hours from May 13 to May 22, 2019, at our corporate headquarters at 400 Professional Drive, Suite 400, Gaithersburg, Maryland 20879. This list will also be available at the annual meeting.

Table of Contents

CORPORATE GOVERNANCE

General

Our by-laws provide that the number of directors shall be fixed from time to time by the Board. The Board has established the number of directors at ten. The Board is divided into three classes, with one class being elected each year and members of each class serving for staggered three-year terms. Fuad El-Hibri, Ronald B. Richard and Kathryn C. Zoon, Ph.D. are Class I directors with terms expiring at this annual meeting. Seamus Mulligan is a Class II director, who was appointed in March 2019 for a term expiring at this annual meeting. Zsolt Harsanyi, Ph.D., General George A. Joulwan and Louis W. Sullivan, M.D. are Class II directors with terms expiring at the 2020 annual meeting of stockholders. Dr. Sue Bailey, Jerome Hauer, Ph.D. and Robert G. Kramer, Sr. are Class III directors with terms expiring at the 2021 annual meeting. For more information regarding the members of our Board, please see "Directors and Nominees" beginning on page 18.

Our Board believes that good corporate governance is important to ensure that the company is managed for the long-term benefit of our stockholders. This section describes key corporate governance guidelines and practices that our Board has adopted. Complete copies of our corporate governance guidelines and code of conduct and business ethics are available on our website at www.emergentbiosolutions.com under "Investors Governance." Alternatively, you can request a copy of any of these documents by writing to Emergent BioSolutions Inc., Attn: Investor Relations, 400 Professional Drive, Suite 400, Gaithersburg, Maryland 20879.

Corporate Governance Guidelines

Our Board has adopted corporate governance guidelines to assist in the exercise of its duties and responsibilities and to serve the best interests of the company and our stockholders. These guidelines, which provide a framework for the conduct of the Board's business, include the following:

The Board's principal responsibility is to oversee the management of the company;

A majority of the members of the Board shall be independent directors;

The independent directors shall meet regularly in executive session;

Directors shall have full and free access to management and, as necessary and appropriate, independent advisors;

New directors shall participate in an orientation program and all directors are expected to participate in continuing director education on an ongoing basis; and

At least annually, the Board and its committees will conduct a self-evaluation to determine whether they are functioning effectively.

Board Independence

Under applicable NYSE rules, a director will qualify as "independent" only if our Board affirmatively determines that such director has no material relationship with us, either directly or as a partner, stockholder or officer of an organization that has a relationship with us. Our Board has established guidelines to assist it in determining whether a director has such a material relationship. Under these guidelines, a director is not considered to have a material relationship with us if our Board determines that such director is independent under Section 303A.02(b) of the NYSE Listed Company Manual, even if such director:

Is an executive officer of another company which is indebted to us, or to which we are indebted, unless the total amount of either company's indebtedness to the other is more than 1% of the total consolidated assets of the company with which such

director serves as an executive officer; or

Table of Contents

Serves as an officer, director or trustee of a tax-exempt organization to which we make contributions, unless our discretionary charitable contributions to the organization are more than the greater of \$1 million or 2% of that organization's consolidated gross revenues. Our matching of employee charitable contributions would not be included in the amount of our contributions for this purpose.

In addition, ownership of a significant amount of our stock, by itself (as under NYSE listing standards), does not constitute a material relationship. For relationships not covered by the guidelines set forth above, the determination of whether a material relationship exists is made by the other members of our Board who are independent.

Our Board has determined that Dr. Bailey, Dr. Harsanyi, Dr. Hauer, General Joulwan, Mr. Richard, Dr. Sullivan and Dr. Zoon meet the foregoing standards, that none of these directors has a material relationship with us and that each of these directors is "independent" as determined under Section 303A.02 of the NYSE Listed Company Manual.

Meetings and Attendance

In 2018, our Board met 13 times and the standing committees of the Board met 33 times. During 2018, no director attended fewer than 75% of the total number of meetings of the Board of Directors and of the committees of which the director was a member during 2018.

Our corporate governance guidelines provide that directors are expected to attend the annual meeting of stockholders. All members of our Board at the time of the 2018 annual meeting of stockholders attended the meeting.

The Board's Role in Risk Oversight

Our Board is actively engaged in the oversight of risks we face and consideration of the appropriate responses to those risks. The audit committee of our Board periodically discusses risk management, including guidelines and policies to govern the process by which our exposure to risk is handled, with our senior management. The audit committee also reviews and comments on a periodic risk assessment performed by management. After the audit committee performs its review and comment function, it reports any significant findings to our Board. The Board is responsible for the oversight of our risk management programs and, in performing this function, receives periodic risk assessment and mitigation initiatives for information and approval as necessary.

The Board's other committees oversee risks associated with their respective areas of responsibility. For example, the compensation committee considers the risks associated with our compensation policies and practices for both executive compensation and compensation generally.

Board Committees

Our Board has established five standing committees – audit, compensation, nominating and corporate governance, scientific review and strategic operations – each of which operates under a written charter that has been approved by our Board. Current copies of each committee's charter are available on our website at www.emergentbiosolutions.com under "Investors – Governance." Alternatively, you can request a copy of any of these documents by writing to Emergent BioSolutions Inc., Attn: Investor Relations, 400 Professional Drive, Suite 400, Gaithersburg, Maryland 20879.

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Table of Contents

Our Board has determined that all of the current members of each of the audit, compensation and nominating and corporate governance committees are independent as defined under the rules of the NYSE.

COMMITTEE MEMBERSHIPS

Name	Class	Term Expires	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Scientific Review Committee	Strategic Operations Committee
Fuad El-Hibri <i>Executive Chairman</i>	I	2019					
Robert G. Kramer, Sr.	III	2021					
Dr. Sue Bailey	III	2021					
Zsolt Harsanyi, Ph.D.	II	2020					
Jerome M. Hauer, Ph.D.	III	2021					
General George A. Joulwan	II	2020					
Seamus Mulligan	II	2019*					
Ronald B. Richard <i>Lead Independent Director</i>	I	2019					
Louis W. Sullivan, M.D.	II	2020					
Kathryn C. Zoon, Ph.D.	I	2019					

*

Class II director Seamus Mulligan was appointed as a director, effective March 19, 2019, with an initial term expiring at the 2019 annual meeting.

Audit Committee

Committee Chairperson

Committee Member

The audit committee's responsibilities include:

Appointing, evaluating, approving the compensation of and assessing the independence of our Independent Registered Public Accounting Firm;

Overseeing the work of our Independent Registered Public Accounting Firm, including through the receipt and consideration of reports from our Independent Registered Public Accounting Firm;

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Reviewing and discussing with management and the Independent Registered Public Accounting Firm our annual and quarterly financial statements and related disclosures;

Reviewing the type and presentation of information to be disclosed in the company's earnings press releases, as well as financial information and earnings guidance provided to analysts, rating agencies and others;

Monitoring our internal control over financial reporting and disclosure controls and procedures;

Monitoring our ethics and compliance program, including our Code of Conduct and Business Ethics;

Overseeing our internal audit function;

Assisting the Board of Directors in overseeing our compliance with legal and regulatory requirements and internal policies and procedures;

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Table of Contents

Periodically discussing our risk management policies, and reviewing and commenting on an initial risk assessment by management;

Establishing policies regarding hiring employees from our Independent Registered Public Accounting Firm and procedures for the receipt and retention of accounting-related complaints and concerns;

Meeting independently with our internal auditing staff, Independent Registered Public Accounting Firm and management;

Reviewing and approving or ratifying any related person transactions;

Evaluating, in coordination with the compensation committee, the company's senior financial management, including the chief financial officer and head of internal audit; and

Preparing the audit committee report required by SEC rules, which is included on page 27 of this proxy statement.

The members of our audit committee are Dr. Harsanyi, General Joulwan, Mr. Richard and Dr. Sullivan. Dr. Harsanyi is the chairperson of this committee. Our Board has determined that each of the current members of the committee is "independent" in accordance with NYSE listing standards, meets the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934 (the "Exchange Act"), and is financially literate. Dr. Harsanyi has been designated as the "audit committee financial expert." Our audit committee met nine times during 2018.

Compensation Committee

The compensation committee's responsibilities include:

Annually reviewing and approving corporate goals and objectives relevant to the compensation of our executive officers;

Determining the compensation of our chief executive officer and executive chairman;

Reviewing and approving the compensation of our other named executive officers;

Overseeing the evaluation of our senior executives;

Overseeing and administering our cash and equity incentive plans and employee stock purchase plan;

Reviewing and discussing annually with management our "Compensation Discussion and Analysis," which is included beginning on page 33 of this proxy statement; and

Preparing the compensation committee report required by SEC rules, which is included on page 57 of this proxy statement.

The processes and procedures followed by our compensation committee in considering and determining executive compensation are described below under "Executive Compensation Executive Compensation Processes."

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The members of our compensation committee are Dr. Bailey, Dr. Hauer, General Joulwan and Dr. Sullivan. Dr. Sullivan is the chairperson of this committee. Our Board has determined that each of the members of the committee is "independent" in accordance with NYSE listing standards. Our compensation committee met seven times during 2018.

Table of Contents

Nominating and Corporate Governance Committee

The nominating and corporate governance committee's responsibilities include:

Identifying individuals qualified to become members of the Board of Directors;

Recommending to the Board of Directors the persons to be nominated for election as directors and appointed to each of the Board's committees;

Reviewing and making recommendations to our Board of Directors with respect to director compensation;

Reviewing and making recommendations to the Board of Directors with respect to management succession planning;

Developing and recommending to the Board of Directors our corporate governance guidelines;

Overseeing director education activities; and

Overseeing an annual evaluation of the Board of Directors.

The processes and procedures followed by our nominating and corporate governance committee in identifying and evaluating director candidates and in making recommendations regarding director compensation are described below under the headings "Director Nomination Process" and "Director Compensation," respectively.

The members of our nominating and corporate governance committee are Dr. Bailey, General Joulwan, Mr. Richard, Dr. Sullivan and Dr. Zoon. Mr. Richard is the chairperson of this committee and also serves as our lead independent director. Our Board has determined that each of the members of the committee is "independent" in accordance with NYSE listing standards. Our nominating and corporate governance committee met four times during 2018.

Scientific Review Committee

The scientific review committee's responsibilities include:

Reviewing, evaluating and advising the Board of Directors regarding existing products and technology platforms;

Reviewing, evaluating and advising the Board of Directors regarding the priorities with respect to our research and development programs in light of corporate strategy; and

Providing advice and guidance to management with respect to proposed acquisitions, in-licensing, collaborations and alliances.

The members of our scientific review committee are Dr. Bailey, Dr. Harsanyi, Dr. Hauer, Mr. Mulligan and Dr. Zoon. Dr. Hauer is the chairperson of this committee. Our scientific review committee met six times during 2018.

Strategic Operations Committee

The strategic operations committee's responsibilities include evaluating and making recommendations to the Board with respect to:

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Our mission, core strategy, strategic plan objectives/success criteria, and the strategic processes;

Significant acquisition and disposition opportunities;

Our financial plans and programs and capital structure;

Our corporate investment policies;

Table of Contents

Our corporate social responsibility activities; and

Our corporate treasury policies.

The members of the strategic operations committee are Mr. El-Hibri, Dr. Harsanyi, Dr. Hauer, Mr. Kramer, Mr. Mulligan, Mr. Richard and Dr. Zoon. Mr. El-Hibri is the chairperson of this committee. Our strategic operations committee met seven times during 2018.

Director Nomination Process

The process followed by our nominating and corporate governance committee to identify and evaluate director candidates includes requests to members of our Board, management and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates and interviews of selected candidates by members of the committee and the Board.

In considering whether to recommend any particular candidate for inclusion in the Board's slate of director nominees, our nominating and corporate governance committee considers the candidate's integrity, business acumen, knowledge of our business and industry, experience, diligence, conflicts of interest and the ability to act in the interests of all stockholders, as well as the needs of the Board for a specific skill set or experience. The nominating and corporate governance committee does not assign specific weights to particular criteria and no particular criterion is a prerequisite for a prospective nominee. The nominating and corporate governance committee does not have a formal policy with respect to diversity, but believes that the backgrounds and qualifications of its directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow it to fulfill its responsibilities. Additionally, our corporate governance guidelines state that it is a goal of the Board to strive for diversity in the composition of the membership of the Board.

Stockholders may recommend to our nominating and corporate governance committee individuals for consideration as potential director candidates by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least a year as of the date such recommendation is made, to the Nominating and Corporate Governance Committee, c/o Corporate Secretary, Emergent BioSolutions Inc., 400 Professional Drive, Suite 400, Gaithersburg, Maryland 20879. Assuming that appropriate biographical and background material has been provided on a timely basis, in accordance with the procedures described under the heading "Additional Matters Stockholder Proposals for the 2020 Annual Meeting," the nominating and corporate governance committee will evaluate candidates recommended by stockholders by following the same process, and applying the same criteria, as it follows for candidates submitted by others.

Skills / Attributes Composition

We believe our directors possess the skills and attributes necessary to meet our current and future business needs. The Board annually assesses the mix of skills, attributes and experience of the directors.

Table of Contents

Core Attributes for all Board Members

- High level of integrity and character;
- Demonstrated track record of success;
- Advanced degree in science or other relevant discipline; and
- A commitment to contribute the time necessary for active involvement.

Desired Skill / Experience

Mr. El-Hibri Mr. Kramer Dr. Bailey Dr. Harsanyi Mr. Richard Dr. Hauer Gen. Joulwan Mr. Mulligan Dr. Sullivan Dr. Zoon

INDEPENDENCE
DIVERSITY

Experience with Diversity Issues

Diverse Background

FINANCIAL / ACCOUNTING

Financial Expertise

Risk Management / Internal Controls

Investment Banking M&A

CORPORATE GOVERNANCE

Governance Oversight

Executive Compensation

SPECIALIZED EXPERTISE

Pharma / Biotech

Medicine / Science

Government
Health, Defense,
Intelligence,
Security)

Sales / Marketing /
Distribution

International
Business

Investor / Public
Relations

Governance Structure and Lead Director

In December 2011, our Board determined to separate the positions of chief executive officer and board chairman, appointing Mr. El-Hibri as executive chairman of the board and our former chief executive officer, Mr. Abdun-Nabi as chief executive officer, effective April 1, 2012. Mr. El-Hibri previously served as our chief executive officer and chairman of our Board of Directors from June 2004 through March 2012. Mr. Abdun-Nabi served as our chief executive officer from April 2012 through March 2019. We have continued to maintain the separate positions of chief executive officer and board chairman with the recent appointment of Robert G. Kramer, Sr. as president and chief executive officer, in connection with the retirement of Mr. Abdun-Nabi. The Board believes this separate governance structure is optimal because it enables the chief executive officer to focus his entire energy on running the company while affording us the benefits of continued leadership and other contributions from Mr. El-Hibri.

Our corporate governance guidelines provide that in the event the chairman of our Board of Directors is not an independent director, a majority of the Board's independent directors may appoint an independent director, who has been nominated by the nominating and corporate governance committee,

Table of Contents

to serve as lead director. Because Mr. El-Hibri is not an independent director, our independent directors, based on the recommendation of the nominating and corporate governance committee, re-appointed Mr. Richard as the lead director in May 2017 for a two-year term. As lead director, Mr. Richard serves as the presiding director at all executive sessions of our non-management or independent directors, facilitates communications between Mr. El-Hibri and other members of the Board, determines the need for special meetings of the Board and consults with Mr. El-Hibri on matters relating to corporate governance and Board performance.

Communicating with the Board of Directors

Our Board will give appropriate attention to written communications that are submitted by stockholders and other interested parties and will respond if and as appropriate. The lead director, with the assistance of our corporate secretary is primarily responsible for monitoring communications from stockholders and other interested parties and for providing copies or summaries to the other directors as the lead director considers appropriate.

Under procedures approved by a majority of our independent directors, communications are forwarded to all directors if they relate to important substantive matters and include suggestions or comments that the lead director considers to be important for the directors to know. In general, communications relating to corporate governance and corporate strategy are more likely to be forwarded than communications relating to ordinary business affairs, personal grievances and matters as to which we receive repetitive or duplicative communications.

Stockholders and other interested parties who wish to send communications on any topic to our Board of Directors, lead director or independent directors as a group should address such communications to the Board of Directors, Lead Director or Independent Directors, as applicable, c/o Corporate Secretary, Emergent BioSolutions Inc., 400 Professional Drive, Suite 400, Gaithersburg, Maryland 20879. At the direction of the Board, the corporate secretary will review all such correspondence and forward to the Board, lead director or independent directors a summary and/or copies of any such correspondence that deals with the functions of the Board or its committees or that he or she otherwise determines requires their attention.

Table of Contents**STOCK OWNERSHIP INFORMATION**

The following table sets forth information regarding the beneficial ownership of our common stock as of March 28, 2019, by (1) each of our directors and director nominees, (2) each named executive officer, (3) all of our executive officers and directors as a group and (4) each stockholder known by us to beneficially own 5% or more of our outstanding common stock. There were 51,382,454 shares of our common stock outstanding on March 28, 2019.

Name of Beneficial Owner	Outstanding Shares Beneficially Owned⁽¹⁾	Right to Acquire Beneficial Ownership⁽²⁾	Total Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Directors and director nominees				
Dr. Sue Bailey	36,384	6,572	42,956	*
Zsolt Harsanyi, Ph.D.	21,384	10,006	31,390	*
Jerome Hauer, Ph.D.		6,572	6,572	*
George Joulwan	13,626	6,572	20,198	*
Seamus Mulligan ⁽³⁾	594,162		594,162	1.2%
Ronald B. Richard	8,375	24,770	33,145	*
Louis W. Sullivan, M.D.	36,384	40,556	76,940	*
Kathryn Zoon, Ph.D.	3,500	4,385	7,885	*
Named Executive officers				
Fuad El-Hibri ⁽⁴⁾	5,353,504	313,051	5,666,555	11.0%
Robert G. Kramer, Sr. ⁽⁵⁾	65,851	106,282	172,133	*
Richard S. Lindahl		8,836	8,836	*
Adam Havey	7,972	55,561	63,533	*
Atul Saran	4,222	13,778	18,000	*
Daniel J. Abdun-Nabi ⁽⁶⁾	94,214	386,301	480,515	*
Other Executive Officer	6,164	23,286	29,450	
All executive officers and directors as a group (15 persons) ⁽⁷⁾	6,245,742	1,006,528	7,252,270	14.1%
5% or greater stockholders				
Vanguard Group ⁽⁸⁾	4,832,301		4,832,301	9.4%
BlackRock, Inc. ⁽⁹⁾	6,560,237		6,560,237	12.8%
Intervac, L.L.C.	4,344,250		4,344,250	8.5%

*

Represents beneficial ownership of less than 1% of common stock.

(1)

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to shares of our common stock. The information set forth in the table above is not necessarily indicative of beneficial ownership for any other purpose, and the inclusion of any shares deemed beneficially owned in this table does not constitute an admission of beneficial ownership of those shares. Except as otherwise noted, to our knowledge, the persons and entities named in the table above have sole voting and investment power with respect to all of the shares of common stock beneficially owned by them, subject to community property laws, where applicable. Except as otherwise indicated, the address of each of the beneficial owners named in the table above is c/o Emergent BioSolutions Inc., 400 Professional Drive, Suite 400, Gaithersburg, Maryland 20879. Percentage ownership calculations are based on 51,382,454 shares of common stock outstanding as of March 28, 2019.

(2)

Consists of shares of common stock subject to stock options exercisable as of, or within 60 days of March 28, 2019, and shares of common stock issuable under restricted stock unit ("RSU") awards that vest within 60 days of March 28, 2019. Shares of common stock subject to stock options that are exercisable as of or within 60 days of March 28, 2019, and shares of common stock issuable under RSU awards that vest within 60 days of March 28, 2019 are deemed to be outstanding and beneficially

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Table of Contents

owned by the person holding the option or RSU for the purpose of calculating the percentage ownership of that person, but are not deemed outstanding for the purpose of calculating the percentage ownership of any other person.

- (3) Mr. Mulligan has a beneficial ownership interest in 594,162 shares of our common stock, of which he directly beneficially owns 48,572 shares. Mr. Mulligan and his family collectively hold an aggregate 100% equity interest in Nerano Pharma Ltd., which beneficially owns 545,590 shares of our common stock.
- (4) Mr. El-Hibri has a beneficial ownership interest in 5,666,555 shares of our common stock through his direct holdings in certain entities, his vested restricted stock units and stock options (including restricted stock units and stock options vesting within 60 days of March 28, 2019), and shares held by trusts indirectly controlled by Mr. El-Hibri, which represent approximately 11.0% of our outstanding common stock. This amount also includes 628,678 shares pledged as collateral. In accordance with the rules and regulations of the SEC, Mr. El-Hibri's beneficial ownership is deemed to consist of the following shares of our common stock:
- 2,350,331 shares held by Intervac, L.L.C.;
- 1,524,155 shares held by BioVac, L.L.C.;
- 1,479,018 shares held directly by Mr. El-Hibri; and
- 313,051 shares of common stock subject to stock options exercisable within 60 days of March 28, 2019.
- For more information regarding beneficial ownership and voting of these shares, see " Certain Stockholder Ownership" below.
- (5) Includes 37,140 shares pledged as collateral.
- (6) Includes 81,450 shares pledged as collateral.
- (7) Although he has been included in this line item, Daniel J. Abdun-Nabi retired effective March 31, 2019 and is no longer an executive officer.
- (8) Based on information provided in a Schedule 13G/A that was filed with the SEC on February 11, 2019, by The Vanguard Group, Inc., The Vanguard Group, Inc. reported sole voting power with respect to 93,842 shares, sole dispositive power with respect to 4,736,297 shares, shared voting power with respect to 6,199 shares and shared dispositive power with respect to 96,004 shares of our common stock as of December 31, 2018. Aggregate beneficial ownership reported by The Vanguard Group, Inc. is on a consolidated basis and includes shares beneficially owned by the following wholly-owned subsidiaries of The Vanguard Group, Inc., none of which individually beneficially owns 5% or greater of the outstanding shares of our common stock: Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.
- (9) Based on information provided in a Schedule 13G/A that was filed with the SEC on January 28, 2019, by BlackRock, Inc., BlackRock, Inc. is the beneficial owner of 6,560,237 shares of our common stock and has sole voting power with respect to 6,433,551 shares of our common stock and sole dispositive power with respect to 6,560,237 shares of our common stock as of December 31, 2018. Aggregate beneficial ownership reported by BlackRock, Inc. is on a consolidated basis and includes shares beneficially owned by the following subsidiaries of BlackRock, Inc., none of which individually beneficially owns 5% or greater of the outstanding shares of our common stock: BlackRock (Netherlands) B.V.; BlackRock Advisors, LLC; BlackRock Asset Management Canada Limited; BlackRock Asset Management Ireland Limited; BlackRock Asset Management Schweiz AG; BlackRock Financial Management, Inc.; BlackRock Fund Advisors; BlackRock Institutional Trust Company, N.A; BlackRock International Limited, BlackRock Investment Management (Australia) Limited; BlackRock Investment Management (UK) LTD; BlackRock Investment Management, LLC;

Table of Contents

BlackRock Japan Co LTD; BlackRock (Luxembourg) S.A. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10022.

Certain Stockholder Ownership

Mr. El-Hibri individually, and Mr. El-Hibri and his wife, as tenants by the entirety, hold 89.2% of the ownership interests in BioVac, L.L.C. and have the power to vote and dispose of all shares of our common stock held by BioVac. Mr. El-Hibri disclaims beneficial ownership of these shares for purposes of Section 16 of the Exchange Act or otherwise, except to the extent of his pecuniary interest therein.

Mr. El-Hibri's holdings through Intervac, L.L.C. include 1,638,403 shares of our common stock held by Mr. El-Hibri and his wife, as tenants by the entirety, through their 37.7% equity interest in Intervac, L.L.C.; 127,721 shares held by Mr. El-Hibri's wife; and 584,207 shares held by trusts indirectly controlled by Mr. El-Hibri or his wife. Mr. El-Hibri disclaims beneficial ownership, for purposes of Section 16 of the Exchange Act or otherwise, of those shares held solely by his wife and those shares held by the trusts.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that our executive officers and directors, and holders of more than 10% of our common stock file reports of ownership and changes in ownership with the SEC and provide us with copies of such reports. We have reviewed such reports received by us and written representations from our directors and executive officers. Based solely on such review, we believe that all ownership reports were timely filed during 2018.

Table of Contents

PROPOSALS TO BE VOTED ON AT THE ANNUAL MEETING

PROPOSAL 1 ELECTION OF DIRECTORS

Background

At the annual meeting, stockholders will have an opportunity to vote for the election of Class I directors Fuad El-Hibri, Ronald B. Richard and Kathryn C. Zoon, as well as Class II director Seamus Mulligan, who was appointed by the Board of Directors, following the recommendation of the nominating and corporate governance committee, to serve as a director effective March 19, 2019, with an initial term expiring at this annual meeting. The company's bylaws provide for the election of directors by a plurality of the votes cast by the stockholders at the annual meeting (i.e. the nominees who receive the most votes will be the nominees elected by the stockholders). If elected, the terms of Fuad El-Hibri, Ronald B. Richard and Kathryn C. Zoon will expire at the 2022 annual meeting of stockholders and the term of Seamus Mulligan will expire at the 2020 annual meeting of stockholders. Proxies received by the company from stockholders will be voted to elect these four nominees, unless marked to the contrary. Each of the nominees has indicated his or her willingness to serve, if elected. However, if any of the nominees should be unable or unwilling to serve, the proxies may be voted for a substitute nominee designated by our Board, or our Board may reduce the number of directors.

Board Recommendation

The Board of Directors recommends a vote "FOR" the election of all Class I director nominees and the Class II director nominee.

DIRECTORS AND NOMINEES

The following biographical information discloses each director's and director nominee's age, business experience, and other directorships held during the past five years. It also includes the experiences, attributes, and skills that caused the nominating and corporate governance committee and the Board of Directors to determine that the individual should serve as a director of the company and the year that each individual was first elected to the Board of Directors. Unless otherwise specified, each nominee has held his or her current position for at least five years.

Table of Contents

DIRECTOR NOMINEES

Class I Directors Terms to Expire at the 2019 Annual Meeting

Fuad El-Hibri, age 61, a director since 2004

Mr. El-Hibri has served as the executive chairman of our Board of Directors since April 2012 and since August 2016, has served as the chairman of the board of directors of Aptevo Therapeutics Inc. From June 2004 to March 2012, Mr. El-Hibri served as chief executive officer and as chairman of our Board of Directors. Mr. El-Hibri previously served as president from March 2006 to April 2007. Mr. El-Hibri served as chief executive officer and chairman of the board of directors of BioPort Corporation from May 1998 until June 2004, when, as a result of our corporate reorganization, BioPort became a wholly owned subsidiary of Emergent BioSolutions and was subsequently renamed as Emergent BioDefense Operations Lansing Inc. Mr. El-Hibri is chairman of East West Resources Corporation, a venture capital and business consulting firm, a position he has held since June 1990. He served as president of East West Resources from September 1990 to January 2004. Mr. El-Hibri is a member of the advisory board of the Yale Healthcare Conference, a member of the board of directors of the International Biomedical Research Alliance, an academic joint venture among the National Institutes of Health, or NIH, Oxford University and Cambridge University. He also serves as chairman of the El-Hibri Foundation. Mr. El-Hibri has also served as a member of the board of trustees of American University from 2004 to 2010 and a member of the board of directors of the U.S. Chamber of Commerce from 2011 to 2017. Mr. El-Hibri received a master's degree in public and private management from Yale University and a B.A. in economics from Stanford University. We believe Mr. El-Hibri's qualifications to serve on our Board of Directors include his service on other boards as well as his prior business experience, including as our chief executive officer and a director.

Ronald B. Richard, age 63, a director since 2005

Mr. Richard has served as a director since January 2005. Mr. Richard has served as the president and chief executive officer of the Cleveland Foundation, the nation's oldest community foundation, since June 2003. From August 2002 to February 2003, Mr. Richard served as president of Stem Cell Preservation, Inc., a start-up medical research company. After leaving Stem Cell Preservation and prior to joining our board of directors, Mr. Richard served as a strategic business advisor for IGEN International, Inc., a biotechnology company. Mr. Richard served as chief operating officer of In-Q-Tel, a venture capital fund that provides technologies to the Central Intelligence Agency, from March 2001 to August 2002. Prior to joining In-Q-Tel, Mr. Richard served in various senior management positions at Matsushita Electric (Panasonic), a consumer electronics company. Mr. Richard is a former U.S. foreign service officer. He served in Osaka/Kobe, Japan and as a desk officer for North Korean, Greek and Turkish affairs at the U.S. Department of State in Washington, D.C. Mr. Richard previously served as chairman of the board of trustees of the International Biomedical Research Alliance, an academic joint venture among the NIH, Oxford University and Cambridge University. Mr. Richard received an M.A. in international relations from Johns Hopkins University School of Advanced International Studies and a B.A. in history from Washington University. He holds honorary doctorates in humane letters from Notre Dame College and Baldwin Wallace College. We believe Mr. Richard's qualifications to serve on our Board of Directors include his past and current industry experience, including his prior senior management positions, including positions in the biotechnology industry.

Table of Contents

Kathryn C. Zoon, Ph.D., age 70, a director since 2016

Dr. Zoon has served as a director since November 2016. Dr. Zoon is currently NIAID/NIH Scientist Emeritus, a position she has held since August 2016. From April 2016 to June 2016, she was Interim Director of the new NIH Office of Research Support and Compliance where she developed and established the new office and recruited key individuals to continue its future operations. She was also Chief of the Cytokine Biology Section in the Division of Intramural Research, National Institute of Allergy and Infectious Diseases ("NIAID"), NIH until July 2016, where she conducted research on the structure and function of human interferon alphas and developed a new cell therapy using IFNs and autologous monocytes which she is still collaborating with the National Cancer Institute ("NCI") to start a clinical trial for ovarian cancer. She was previously the Director of the Division of Intramural Research at NIAID from 2006- August 2015 and was the Deputy Director for Planning and Development of the Division of Intramural Research at NIAID, 2004-2006. Dr. Zoon served as the Principal Deputy Director of the Center for Cancer Research at the National Cancer Institute, 2003-2004. She served as the Director of the Center for Biologics Evaluation and Research ("CBER"), Food and Drug Administration ("FDA") (1992-2003), and has been a member of the NIH Scientific Directors from 1992 to 2015. Dr. Zoon was the Director of the Division of Cytokine Biology in CBER, 1988-1992, where she directed the research and review of cytokines, growth factors, and cellular products. She studied the production and purification of human interferon at NIH from 1975 to 1980 with Nobel Laureate Christian B. Anfinsen. She received her B.S. degree, cum laude, in chemistry from Rensselaer Polytechnic Institute and was granted a Ph.D. in biochemistry from the Johns Hopkins University. Dr. Zoon is an associate editor of the Journal of Interferon Research and the author of more than 130 scientific papers. She was President of the International Society for Interferon and Cytokine Research, 2000-2001. Dr. Zoon has been a member of the National Academy of Medicine since 2002 and is also a member of the Division on Earth and Life Studies Committee, National Research Council, 2015- 2019. She has served a member of the World Health Organization's Expert Committee on Biological Standards for almost two decades. In May 2005, she received the U.S. Department of Health and Human Services ("HHS") Secretary's Award for Distinguished Service for the Tissue Action Plan Team. Most recently she received the 2014 William S. Hancock Award for outstanding achievements in CMC regulatory science. We believe Dr. Zoon's expertise in regulatory matters and product development adds great depth and breadth to our Board of Directors.

Table of Contents

Class II Director Term to Expire at the 2019 Annual Meeting

Seamus Mulligan, age 58, a director since 2019

Mr. Mulligan has served as a director since March 2019. Prior to that, he was a consultant to us from October 2018 until the effective date of his appointment as a director. Mr. Mulligan was a co-founder and principal investor of Adapt Pharma Ltd. ("Adapt Pharma") and served as its chairman and chief executive officer from May 2014 until October 2018, when Adapt Pharma was acquired by us. Mr. Mulligan is also a member of the board of directors of Jazz Pharmaceuticals PLC, having been appointed on the closing of the merger of Jazz Pharmaceuticals with Azur Pharma Ltd ("Azur Pharma") in January 2012 (the "Azur Merger"). Mr. Mulligan was the founder of Azur Pharma and served as its chairman and chief executive officer and as a member of its board of directors from 2005 until the closing of the Azur Merger. Mr. Mulligan also served as the chief business officer, International Business Development with Jazz Pharmaceuticals from the closing of the Azur Merger until February 2013. From 2006 to April 2017, Mr. Mulligan served as executive chairman of Circ Pharma Limited and its subsidiaries, a pharmaceutical development stage group. From 1984 until 2004, he held various positions with Elan Corporation, plc, a pharmaceutical company and, finally, as executive vice president, Business and Corporate Development. Prior to that position, he held the roles of president of Elan Pharmaceutical Technologies, the drug delivery division of Elan Corporation, plc, executive vice president, Pharmaceutical Operations, vice president, U.S. Operations and vice president, Product Development. Mr. Mulligan also served as a member of the board of directors of the U.S. National Pharmaceutical Council until 2004. Mr. Mulligan received a B.Sc. (Pharm) and M.Sc. from Trinity College Dublin. As a founder of Adapt Pharma and extensive experience as a pharmaceutical industry executive, Mr. Mulligan brings to our Board of Directors an expertise in pharmaceutical research and development and business development and over 35 years of experience in the pharmaceutical industry.

Table of Contents

CONTINUING DIRECTORS

Class II Directors Terms to Expire at the 2020 Annual Meeting

Zsolt Harsanyi, Ph.D., age 75, a director since 2004

Dr. Harsanyi has served as a director since August 2004. Dr. Harsanyi has served as chairman of the board of N-Gene Research Laboratories, Inc., a privately-held biopharmaceutical company, since March 2011. Prior to that, Dr. Harsanyi served as chief executive officer and chairman of the board of directors of Exponential Biotherapies Inc., a private biotechnology company, from December 2004 to February 2011. In January 2016, Dr. Harsanyi returned to Exponential Biotherapies Inc. to serve as chairman of the board. Since August 2016, Dr. Harsanyi has been a director of Aptevo Therapeutics Inc., a publicly-traded biotech company which focuses on bringing novel oncology and hematology therapeutics to market. Dr. Harsanyi served as president of Porton International plc, a pharmaceutical and vaccine company, from January 1983 to December 2004. Dr. Harsanyi was a founder of Dynport Vaccine Company LLC in September 1996. Prior to joining Porton International, Dr. Harsanyi was vice president of corporate finance at E.F. Hutton, Inc. Previously, Dr. Harsanyi directed the first assessment of biotechnology for the U.S. Congress' Office of Technology Assessment, served as a consultant to the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research and was on the faculties of Microbiology and Genetics at Cornell Medical College. Dr. Harsanyi received a Ph.D. from Albert Einstein College of Medicine and a B.A. from Amherst College. We believe Dr. Harsanyi's qualifications to serve on our Board of Directors include his industry experience, including his senior executive and financial positions.

General George A. Joulwan (Ret.), age 79, a director since 2013

General George A. Joulwan (Ret.) has served as a director since July 2013. General Joulwan's distinguished military career spans 36 years from 1961 to his retirement as a four-star general and the Supreme Allied Commander of NATO in 1997. In 1998 General Joulwan founded, and currently serves as president of, One Team, Inc., which provides business consulting services. Previously, General Joulwan served as a director of General Dynamics Corporation from 1998 through 2012, and currently serves on several private company and charitable boards. He was a professor at the United States Military Academy at West Point and served on the Board of Trustees for the United States Military Academy. General Joulwan was a professor of National Security Strategy at the National Defense University. General Joulwan is a graduate of West Point and holds a Master's degree in Political Science and an Honorary Doctor of Law degree from Loyola University in Chicago. As a retired U.S. Army general, we believe General Joulwan brings a unique perspective to our board. Through his extensive and distinguished military career, he has developed critical leadership and management skills that we believe make him a significant contributor to our board. In addition, we believe General Joulwan's foreign policy experience and knowledge of the government and the military provide valuable insight into international defense markets and the global defense industry.

Table of Contents

Louis W. Sullivan, M.D., age 85, a director since 2006

Dr. Sullivan has served as a director since June 2006. Dr. Sullivan has served as president emeritus of Morehouse School of Medicine since July 2002. Dr. Sullivan served as president of Morehouse School of Medicine from 1981 to 1989 and from 1993 to 2002. From 1989 to 1993, Dr. Sullivan was Secretary of the Department of Health and Human Services. Dr. Sullivan serves on the board of directors of United Therapeutics Corporation, a publicly-traded biotechnology company. He served as a director for Henry Schein, Inc. a publicly-traded biotechnology company, from 2004 to June 2016. He was a founder and chairman of Medical Education for South African Blacks, Inc., a trustee of Africare, a director of the National Center on Addiction and Substance Abuse at Columbia University and chairman of the board of trustees of the National Health Museum, a non-profit institution developing a museum of health sciences. Dr. Sullivan received his M.D. from Boston University and a B.S. from Morehouse College. We believe Dr. Sullivan's qualifications to serve on our Board of Directors include his extensive service on various other boards and service with public institutions, as well as his medical background and prior senior positions in other organizations.

Class III Directors Terms to expire at the 2021 Annual Meeting

Robert G. Kramer, Sr., age 61, a director since 2019

Mr. Kramer has served as our president and chief executive officer since April 2019 and served as our president and chief operating officer from March 2018 to March 2019. Previously, he also served as our executive vice president, administration, chief financial officer and treasurer from September 2012 until his promotion to president and chief operating officer in March 2018. Mr. Kramer first joined us in 1999 as our chief financial officer. From 1999 until his prior retirement in 2010, he held various executive positions with the last being president of Emergent Biodefense Operations Lansing. Mr. Kramer returned to the company in 2011 as the interim head of the biosciences division, and then as interim executive vice president, corporate services division. Prior to joining us in 1999, Mr. Kramer held various financial management positions at Pharmacia Corporation, which subsequently merged with the Upjohn Company in 1995 and eventually became part of Pfizer Inc. Mr. Kramer holds an M.B.A. from Western Kentucky University and a B.S. in industrial management from Clemson University. We believe Mr. Kramer's qualifications to serve on our Board of Directors include his extensive experience in senior management positions and his demonstrated business judgment, including his long service as a senior executive of our company.

Dr. Sue Bailey, age 75, a director since 2007

Dr. Bailey has served as a director since June 2007. Dr. Bailey served as a news analyst for NBC Universal, a media and entertainment company, from November 2001 to August 2006. Previously, Dr. Bailey served as Administrator, National Highway Traffic Safety Administration, as Assistant Secretary of Defense (Health Affairs) and as Deputy Assistant Secretary of Defense (Clinical Services). Dr. Bailey is a former faculty member at Georgetown Medical School and U.S. Navy officer, having achieved the rank of Lt. Commander, U.S. Navy Reserve. Dr. Bailey received her D.O. from Philadelphia College of Osteopathic Medicine and a B.S. from the University of Maryland. We believe Dr. Bailey's qualifications to serve on our Board of Directors include her medical background and prior senior positions in government.

Table of Contents

Jerome M. Hauer, Ph.D., age 67, a director since 2015

Dr. Hauer has served as a director since January 2015. He previously served on our Board of Directors from May 2004 to October 2011. Currently, Dr. Hauer is a senior advisor at Teneo Risk in New York City and Washington, D.C. and a visiting professor at Cranfield University/Defence Academy of the United Kingdom. Before joining Teneo Risk, Dr. Hauer served from January 2012 until December 2014 as the Commissioner of New York State Division of Homeland Security and Emergency Services and Chairman of the Executive Committee on Counterterrorism. Formerly, Dr. Hauer served as chief executive officer of The Hauer Group from 2006 to 2011 and as senior vice president and co-chair of the homeland security practice of Fleishman-Hillard Government Relations from January 2005 to March 2006. Prior to joining Fleishman-Hillard, Dr. Hauer served as acting assistant secretary for the office of public health emergency preparedness at HHS from June 2002 to November 2003 and as director of the office of public health preparedness of HHS from May 2002 to June 2002. Dr. Hauer served as the first director of the New York City Mayor's Office of Emergency Management under Mayor Rudolph Giuliani. He also served as the director of Emergency Medical Services and Emergency Management as well as director of the Department of Fire and Buildings for the State of Indiana under Governor Evan Bayh. Dr. Hauer holds a Ph.D. from Cranfield University/Defence Academy of the United Kingdom. He received an M.H.S. in public health from Johns Hopkins University School of Hygiene and Public Health and a B.A. from New York University. We believe Dr. Hauer's qualifications to serve on our Board of Directors include his significant experience in various governmental and public health organizations, as well as his experience on other boards.

Table of Contents

DIRECTOR COMPENSATION

The compensation of our directors is established by our nominating and corporate governance committee based on information related to market practice provided by our independent compensation consultant Willis Towers Watson. This compensation is periodically reviewed with respect to cash retainers, meeting fees and equity incentives. The following table sets forth information for the fiscal year ended December 31, 2018, regarding the compensation of our directors who are not also named executive officers.

Name	Fees Earned or Paid in Cash	Stock Awards ⁽¹⁾	All Other Compensation	Total
Dr. Sue Bailey	\$ 82,000	\$ 250,000	\$	\$ 332,000
Zsolt Harsanyi, Ph.D	\$ 104,000	\$ 250,000	\$	\$ 354,000
Jerome Hauer, Ph.D	\$ 96,500	\$ 250,000	\$	\$ 346,500
George Joulwan	\$ 88,000	\$ 250,000	\$	\$ 338,000
Ronald B. Richard	\$ 132,500	\$ 250,000	\$	\$ 382,500
Louis W. Sullivan, M.D.	\$ 96,500	\$ 250,000	\$	\$ 346,500
Kathryn Zoon, Ph.D	\$ 84,440	\$ 250,000	\$	\$ 334,440

(1)

The amounts in the "Stock Awards" column reflect the grant date fair value of equity awards granted to the directors named in the table above for the fiscal year ended December 31, 2018, calculated in accordance with SEC rules.

Under our director compensation program, non-employee directors receive the compensation set forth in the table below. We also reimburse our non-employee directors for out-of-pocket expenses incurred in connection with attending our Board and committee meetings.

Element	Program 2018	Program 2019
Annual Retainer	\$55,000	\$60,000
Lead Director Additional Retainer	\$30,000	\$30,000
Board Meeting Fees	None	None
Committee Meeting Fees	None	None
Committee Chair Additional Retainer	\$25,000 Audit, Strategic Operation ⁽¹⁾ \$17,500 Other ⁽²⁾	\$25,000 Audit, Strategic Operation ⁽¹⁾ \$20,000 Compensation \$17,500 Other ⁽²⁾
Committee Member Additional Retainer	\$15,000 Audit, Strategic Operation ⁽³⁾ \$9,000 Other ⁽²⁾	\$15,000 Audit, Strategic Operation ⁽³⁾ \$10,000 Compensation \$9,000 Other ⁽²⁾
Annual Equity Awards	\$250,000 in RSUs per director	\$250,000 in RSUs per director
Initial Election Equity Awards ⁽⁴⁾	\$375,000 in RSUs per director	\$375,000 in RSUs per director

(1)

Chair of the Strategic Operations Committee (Fuad El-Hibri) does not receive a retainer.

(2)

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Other includes the Nominating and Corporate Governance and Scientific Review Committees for the 2018 and 2019 programs, but includes the Compensation Committee for the 2018 program only.

(3)

Employee Directors (Fuad El-Hibri, Robert G. Kramer, Sr. and former director Daniel J. Abdun-Nabi) do not receive additional cash retainers for service on the Strategic Operations Committee.

(4)

Initial election equity award values are inclusive of the annual equity award.

Table of Contents

**PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP currently serves as our Independent Registered Public Accounting Firm. After consideration of the firm's qualifications and past performance, the audit committee has appointed Ernst & Young LLP as our Independent Registered Public Accounting Firm for the fiscal year ending December 31, 2019.

Under NYSE and SEC rules and the audit committee charter, the audit committee is directly responsible for the selection, appointment, compensation and oversight of the company's Independent Registered Public Accounting Firm and is not required to submit this appointment to a vote of the stockholders. Our Board and the audit committee, however, consider the appointment of our Independent Registered Public Accounting Firm to be an important matter of stockholder concern and are submitting the appointment of Ernst & Young LLP for ratification by our stockholders as a matter of good corporate practice. One or more representatives of Ernst & Young LLP is expected to be present at the annual meeting and will have an opportunity to make a statement and respond to appropriate questions from stockholders. In the event that our stockholders fail to ratify the appointment of Ernst & Young LLP, it will be considered as a direction to the audit committee to consider the appointment of a different firm. Even if the appointment is ratified, the audit committee in its discretion may select a different Independent Registered Public Accounting Firm at any time during the year if it determines that such a change would be in the best interests of the company and its stockholders.

Required Vote and Board Recommendation

Ratification of the appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm requires the affirmative vote of the majority of votes cast on such matter at the annual meeting. Abstentions will have no effect on the matter.

The Board of Directors recommends a vote "FOR" the ratification of the appointment of Ernst & Young LLP as the company's Independent Registered Public Accounting Firm.

Table of Contents

AUDIT COMMITTEE REPORT

The audit committee has reviewed our audited financial statements for the fiscal year ended December 31, 2018, and discussed them with management and the Independent Registered Public Accounting Firm.

The audit committee also has received from, and discussed with, the Independent Registered Public Accounting Firm various communications that the Independent Registered Public Accounting Firm is required to provide to the audit committee, including the matters required to be discussed by the Statement on Auditing Standards No. 1301, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board.

The audit committee has received the written disclosures and the letter from the Independent Registered Public Accounting Firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the Independent Registered Public Accounting Firm's communications with the audit committee concerning independence, and has discussed with the Independent Registered Public Accounting Firm their independence.

Based on the review and discussions referred to above, the audit committee recommended to the Board of Directors of Emergent BioSolutions Inc. that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the Securities and Exchange Commission.

By the Audit Committee of the Board of Directors of
Emergent BioSolutions Inc.
Zsolt Harsanyi, Ph.D., Chairperson
General George A. Joulwan
Ronald B. Richard
Louis W. Sullivan, M.D.

Table of Contents**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****Independent Registered Public Accounting Firm's Fees**

The following table summarizes the fees of Ernst & Young LLP, our Independent Registered Public Accounting Firm, billed to us for each of the last two fiscal years for audit and other services. For 2018, audit fees include an estimate of amounts not yet billed. None of the fees described in the following table were approved using the "de minimis exception" under SEC rules.

	December 31,	
	2018	2017
Audit Fees	\$ 3,536,039	\$ 3,147,575
Audit -Related Fees	418,041	1,995
Tax Fees	356,524	375,019
All Other Fees		
	\$ 4,310,604	\$ 3,524,589

Audit Fees. Audit fees consist of fees for the audit of our consolidated financial statements and other professional services provided in connection with statutory and regulatory filings or engagements, along with fees in connection with financing transactions.

Audit-related fees. Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit, the review of our financial statements and acquisition-related services, which are not reported under "Audit Fees."

Tax Fees. Tax fees consist of fees for tax compliance, tax advice and tax planning services. Tax compliance services, which relate to preparation of tax returns and claims for refunds, accounted for none of the total tax fees billed in 2018 and \$126,837 of the total tax fees billed in 2017. Tax advice and tax planning services relate to assistance with tax credit and deduction studies and calculations and tax advice related to acquisitions and dispositions, including audit support.

Pre-Approval Policies and Procedures

Our audit committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our Independent Registered Public Accounting Firm. These policies generally provide that we will not engage our Independent Registered Public Accounting Firm to render audit or non-audit services unless the service is specifically approved in advance by the audit committee or the engagement is entered into pursuant to the pre-approval procedures described below.

From time to time, our audit committee may pre-approve specified types of services that are expected to be provided to us by our Independent Registered Public Accounting Firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount.

Table of Contents

PROPOSAL 3 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

Our Board has determined to provide our stockholders the opportunity to vote each year to approve, on an advisory basis, the compensation of our named executive officers, as disclosed in this proxy statement.

Our executive compensation programs are designed to attract, motivate, and retain executive officers, who are critical to our success. Under these programs, our named executive officers are rewarded for the achievement of our near-term and longer-term financial and strategic goals and for driving corporate financial performance and stability. The programs contain elements of cash and equity-based compensation and are designed to align the interests of our executives with those of our stockholders.

The "Executive Compensation" section of this proxy statement beginning on page 32, including "Compensation Discussion and Analysis" beginning on page 33 describes in detail our executive compensation programs and the decisions made by the compensation committee and the Board with respect to 2018. Highlights of our executive compensation program include the following:

Pay should be linked to performance;

Compensation opportunities should be competitive with relevant peer companies;

The equity compensation program should align executive interests with those of stockholders; and

Supplemental benefits and perquisites should be limited and used selectively in specific circumstances to attract and retain executives.

As we describe in the "Compensation Discussion and Analysis" section of this proxy statement, our executive compensation program embodies a pay-for-performance philosophy that supports our business strategy and aligns the interests of our executives with those of our stockholders. Our Board believes this link between compensation and the achievement of our near- and long-term business goals has helped drive our performance over time. At the same time, we believe our program does not encourage excessive risk-taking by management and that our compensation policies and practices are not reasonably likely to have a material adverse effect on us.

Pursuant to Section 14A of the Exchange Act, our Board is asking stockholders to approve, on an advisory basis, the following resolution:

RESOLVED, that the compensation paid to Emergent BioSolutions Inc.'s named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the compensation discussion and analysis, the compensation tables and any related narrative discussions disclosed in this proxy statement, is hereby approved on an advisory basis.

As an advisory vote, this proposal is not binding. Although the vote is non-binding, our compensation committee and Board value the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of the vote when making future compensation decisions for our executive officers.

Vote Required and Board Recommendation

Approval of the advisory vote on executive compensation requires the affirmative vote of the majority of the votes cast on the matter at the annual meeting. If you own shares through a bank, broker or other holder of record, you must instruct your bank, broker or other holder of record how to vote on this proposal for your shares to be counted on this proposal. Abstentions and broker non-votes will have no effect on the outcome of the matter.

The Board of Directors recommends a vote "FOR" the approval, on an advisory basis, of the compensation of our named executive officers.

Table of Contents**IDENTIFICATION OF EXECUTIVE OFFICERS**

Beginning in March 2018, we made certain executive management changes, which we believe will continue to align our organizational structure to our long-term strategy and to the achievement of our near- and long-term growth objectives. Such changes include the promotion of Robert G. Kramer Sr. to president and chief executive officer, and the appointment of Richard S. Lindahl as our new executive vice president, chief financial officer and treasurer. Set forth below is information regarding the positions, ages and business experience of each of our current executive officers.

Name	Age	Position
Fuad El-Hibri	61	Executive Chairman
Robert G. Kramer, Sr.	61	President and Chief Executive Officer
Richard S. Lindahl	55	Executive Vice President, Chief Financial Officer and Treasurer
Adam Havey	48	Executive Vice President, Business Operations
Atul Saran	45	Executive Vice President, Corporate Development, General Counsel and Corporate Secretary
Katherine Strei	57	Executive Vice President, Human Resources and Communications, Chief Human Resources Officer

Fuad El-Hibri For more information about Mr. El-Hibri, please see his biography under the caption "Directors and Nominees."

Robert G. Kramer, Sr. For more information about Mr. Kramer, please see his biography under the caption "Directors and Nominees."

Richard S. Lindahl. Richard S. Lindahl was appointed as our executive vice president, chief financial officer and treasurer in March 2018. Mr. Lindahl has more than two decades of financial leadership experience. Prior to joining us, Mr. Lindahl served as chief financial officer of CEB Inc., a best practice insight and technology company, from May 2009 until April 2017 and as its principal accounting officer until July 2015. At CEB, Mr. Lindahl was responsible for managing finance strategy and operations, tax and investor relations initiatives, overseeing the corporate real estate, facilities and procurement functions and serving as chair of its investments and acquisitions committee. From 2006 until 2008, Mr. Lindahl served as senior vice president and treasurer of Sprint Nextel Corporation and from 2005 to 2006, he served as vice president and treasurer of Sprint Nextel. From 1997 until 2005, Mr. Lindahl served in various positions at Nextel Communications, Inc., including as treasurer and in financial planning and analysis roles. Prior to joining Nextel, from 1995 until 1997, Mr. Lindahl held the position of vice president, finance at Pocket Communications, Inc. Before 1995, Mr. Lindahl held various positions at MCI Communications Corp., Deloitte & Touche LLP, and Casher Associates, Inc. Mr. Lindahl earned an M.B.A. from the Darden School at the University of Virginia and a B.A. in computer science from Dartmouth College.

Adam Havey. Mr. Havey joined us in 2003 and has served as our executive vice president, business operations since April 2017. He previously served as executive vice president and president, biodefense division from March 2011 to March 2017. Prior to that, Mr. Havey held various roles, including president of Emergent Biodefense Operations Lansing LLC from January 2009 to February 2011, vice president of business operations from November 2007 to December 2008, and senior director of manufacturing development from June 2006 to November 2007. Prior to joining us, Mr. Havey served in product development for Eli Lilly. He received a B.S. degree in chemical engineering from Michigan State University.

Atul Saran. Mr. Saran has served as executive vice president, corporate development and general counsel since May 2017 and was appointed corporate secretary in July 2017. Prior to joining Emergent, Mr. Saran served as senior vice president and general counsel at MacroGenics, Inc., from April 2014 to

Table of Contents

May 2017. Previously, Mr. Saran served in various leadership roles at AstraZeneca plc ("AstraZeneca"), and MedImmune, LLC ("MedImmune"), from 2003 through 2014, including vice president, corporate development and ventures at AstraZeneca and chairman of the MedImmune Ventures investment committee from May 2013 to January 2014; senior vice president, corporate development and ventures from January 2011 to May 2013; and positions of increasing responsibility in the MedImmune legal department from 2003 through 2010, culminating as vice president and deputy general counsel. Before his time at MedImmune, Mr. Saran was an associate attorney in the business and finance group at Hogan & Hartson LLP. Mr. Saran is a board member of LogicNets, Inc., a private company. He previously served on the boards of directors for VentiRx Pharmaceuticals, Inc., Xencor, Inc., Inotek Pharmaceuticals, Inc. and Arriva Pharmaceuticals, Inc. Mr. Saran holds a J.D. from the University of Illinois College of Law, an M.B.A from the MIT Sloan School of Management and a B.S. in Biological Sciences from Stanford University.

Katherine Strei. Ms. Strei serves as our executive vice president, human resources and communications and chief human resources officer. Ms. Strei joined us in January 2016 and has served as executive vice president and chief human resources officer since April 2017. She became executive vice president of corporate communications in March 2018. She previously served as senior vice president and chief human resources officer from January 2016 to March 2017. Prior to joining us, Ms. Strei was an independent consultant, specializing in leadership and organization development from February 2014 to January 2016. Ms. Strei has extensive experience in human resource leadership roles, having previously served as vice president of global leadership and organization development at MedImmune from June 2005 to January 2014, director of executive development at the Federal National Mortgage Association from May 1999 to May 2005, and program director, director of training, as well as corporate manager for ManorCare Health Services from August 1992 to May 1999. Ms. Strei received a B.A. in Sociology from Lawrence University and an M.S. in Organization Development from American University/NTL Institute. Ms. Strei also holds a certificate for Leadership Coaching from Georgetown University.

Table of Contents

EXECUTIVE COMPENSATION

Executive Compensation Processes

The compensation committee has implemented an annual review program for our executive officers under which it determines annual salary increases, annual cash bonus amounts and annual equity awards granted to our executive officers. Our chief executive officer and executive vice president of human resources prepare compensation recommendations regarding the compensation of each of our executive officers, other than the executive chairman of the board and the chief executive officer, and present these recommendations to the compensation committee for approval. The compensation committee evaluates the overall performance of the chief executive officer and the other executive officers other than the executive chairman based on achievement of corporate goals and objectives, achievement of individual goals, performance of job responsibilities and demonstration of behavioral competencies. The compensation committee then makes individual compensation decisions for the chief executive officer and the executive officers other than the executive chairman based on these evaluations and competitive market data. The compensation committee evaluates the overall performance of the executive chairman based on performance of job responsibilities and makes compensation decisions for the executive chairman based on this evaluation and competitive market data for comparable executive positions.

The Board has delegated to our chief executive officer and our executive chairman the authority to grant stock options and RSUs to employees under the Emergent BioSolutions Inc. Stock Incentive Plan. However, neither our chief executive officer nor our executive chairman has authority to grant stock options or RSUs: (i) to himself; (ii) to any other director, executive officer, officer or other person whose compensation is determined by the compensation committee; or (iii) to any person whom the Board or the compensation committee may from time to time designate in writing. In addition, neither the chief executive officer nor the executive chairman has authority to grant, in the aggregate, stock options and RSUs with respect to more than 2,000,000 shares of common stock in any fiscal year or to grant to any person, in any one fiscal year, stock options and RSUs with respect to more than 1,000,000 shares of common stock, in each case as counted against the maximum aggregate number of shares of common stock available for issuance under the Emergent BioSolutions Inc. Stock Incentive Plan.

The compensation committee has the authority to retain compensation consultants and other outside advisors to assist in the evaluation of executive officer compensation. During 2018, the compensation committee retained Willis Towers Watson as an independent outside compensation consultant to advise the compensation committee on market compensation practices, the implementation of public company compensation programs and policies and to review recommendations from management on compensation matters. The compensation committee met with the compensation consultant seven times in 2018 and three times in early 2019 at the time salary, annual bonus targets and equity award guidelines were being considered for our executive chairman, chief executive officer and other executive officers. Willis Towers Watson performed executive compensation services in support of the compensation committee and also collected competitive market data for specific positions and researched market practices on the compensation plan and design for the company, providing data and advice that the compensation committee considers in making its decisions. The compensation committee considered the factors specified by the SEC regarding the independence of compensation advisors and determined that Willis Towers Watson's services for the compensation committee and the company during 2018 and 2019 have not raised a conflict of interest and that Willis Towers Watson is an independent compensation advisor to the committee and the company.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

This section discusses the principles underlying our executive compensation programs, policies and decisions and the most important factors relevant to an analysis of these programs, policies and decisions. It provides qualitative information regarding the manner and context in which compensation is earned by, and awarded to, our named executive officers and is intended to place in perspective the data presented in the compensation tables included in this proxy statement. For 2018, our named executive officers, whose compensation is set forth in the 2018 Summary Compensation Table and other compensation tables contained in this proxy statement, and their current positions with the company, are:

2018 Named Executive Officers

Fuad El-Hibri *Executive Chairman of the Board of Directors*

Robert G. Kramer, Sr. *President and Chief Executive Officer*

Richard S. Lindahl *Executive Vice President, Chief Financial Officer and Treasurer*

Adam Havey *Executive Vice President, Business Operations*

Atul Saran *Executive Vice President, Corporate Development, General Counsel and Secretary*

Daniel J. Abdun-Nabi *Former Chief Executive Officer*

The compensation committee oversees our executive compensation programs. In this role, the compensation committee reviews and approves all compensation decisions relating to our named executive officers. The compensation committee has engaged Willis Towers Watson as its independent compensation consultant to provide competitive compensation data and assist with the implementation of various aspects of our base salary determinations, annual bonus plan, long-term incentive program and other executive compensation decisions from time to time. Willis Towers Watson provides data and advice that the compensation committee considers in making its decisions.

Executive Summary

Our Strategic Accomplishments

In 2018, we achieved the following:

Completed the acquisition of Adapt Pharma;

Completed the acquisition of PaxVax Holding Company Ltd. ("PaxVax");

Closed on a new \$1 billion senior secured credit facility;

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Achieved organic revenue of approximately \$732.3 million (or 94.4% of goal), including international product sales revenue of \$29 million (or 4% of total revenue), but excluding the impact of the Adapt Pharma and PaxVax acquisitions;

Achieved adjusted net income of approximately \$106.4 million (103% of goal); which excludes acquisition-related costs and the acquired operations of Adapt Pharma and PaxVax;

Submitted an application for Emergency Use Authorization ("EUA") for AV7909 in the fourth quarter of 2018;

Enhanced organizational capabilities in operational excellence and manufacturing; and

Implemented several programs that strengthen leadership and management capabilities.

Table of Contents

New Corporate Leadership Structure

In January 2019, we announced that Daniel J. Abdun-Nabi would retire as chief executive officer, effective March 31, 2019. Mr. Abdun-Nabi continues to serve as a consultant to the company, providing strategic advice and guidance to the company and the Strategic Operations Committee of the Board of Directors in connection with strategic plan development, mergers, acquisitions, other strategic transactions, and regulatory matters; continued transition support for the company's chief executive officer; and other requested assistance in connection with the company's business activities.

The company also announced in January 2019 the promotion of Robert G. Kramer, Sr. to president and chief executive officer, effective April 1, 2019. He was previously promoted to president and chief operating officer in March 2018, after having served as executive vice president, administration, chief financial officer and treasurer for several years.

In addition, in March 2018, we announced the appointment of Richard S. Lindahl as executive vice president, chief financial officer and treasurer to fill the prior role of Robert G. Kramer, Sr. Accordingly, many of the compensation actions described in this "Compensation Discussion and Analysis" reflect new roles for these executive officers.

Highlights of 2018 Compensation Decisions and Recent Actions

2019 Performance-Based Stock Unit ("PSU") Awards. In February 2019, the compensation committee, with input from Willis Towers Watson, approved grants of PSU awards under the company's Stock Incentive Plan. These awards will result in the issuance of a number of shares based on the level of achievement with respect to "adjusted net income" as a percentage of total revenue (as determined in accordance with GAAP) for the 2021 fiscal year. "Adjusted Net Income" is defined as net income, determined in accordance with GAAP, excluding acquisition-related costs (transaction and integration), non-cash amortization charges, exit and disposal costs, and the impact of purchase accounting on inventory step-up (all of which exclusions shall be tax-effected utilizing the statutory U.S. federal income tax rate) and the impact of material changes in the U.S. federal income tax rate subsequent to the first year of the performance period. Achievement of the threshold performance objective, target performance objective and maximum performance objective will result in a share (and corresponding cash relating to dividends paid by the company between the grant date and the date of issuance of shares) payout of 50%, 100% and 150% of the target number of shares, respectively, as applicable. Performance below the 50% threshold will result in no payout. Performance between threshold, target and maximum will result in pro-rata payouts between each of those performance levels. Awards issued under the agreement governing the terms of the 2019-2021 PSUs (the "2019-2021 PSU Award Agreement") will vest based on the achievement of the performance goal for the 2021 fiscal year, as certified by the compensation committee following the performance period.

Amendments to 2017-2019 and 2018-2020 PSU Awards. In light of the completion of two significant acquisitions during 2018 and other recent transactions, in February 2019, the compensation committee determined to amend the outstanding PSUs granted to Messrs. Abdun-Nabi, Kramer and Havey in 2017 (the "2017-2019 PSUs") and Messrs. Abdun-Nabi, Kramer, Havey, Lindahl and Saran in 2018 (the "2018-2020 PSUs" and, together with the 2017-2019 PSUs, the "Prior PSUs") to better align management incentives under the Prior PSUs with long-term stockholder value creation and our strategic objectives. The amendments (i) redefined the performance objective for the Prior PSUs as "adjusted net income" as a percentage of total revenue, consistent with the 2019-2021 PSU Award Agreement, (ii) increased the minimum performance level, target performance level and maximum performance level in connection with the change in performance objective to provide the Prior PSUs with more meaningful performance measures, and (iii) made certain administrative changes

Table of Contents

to these awards to make them materially consistent with the 2019-2021 PSU Award Agreement. The compensation committee initially approved the Prior PSU awards to achieve alignment between management performance and long-term stockholder value. At the time of grant, the compensation committee evaluated the company's history, as well as its long-range objectives, and believed that net income, measured in accordance with GAAP, would be the best measure of long-term stockholder value creation. After the Prior PSU awards were granted, however, the company completed several acquisitions and licensing transactions that the compensation committee believes have generated significant value for stockholders, most notably four acquisitions over the period beginning with the fourth quarter of 2017; however, the application of GAAP to the net income calculations as it relates to these transactions includes various items that the compensation committee believes do not reflect the underlying operational success of the business, nor the long-term value created by these acquisitions. Accordingly, the compensation committee determined that an adjusted net income metric that evaluates the success of the business disregarding these items is a more accurate reflection of the value that has been generated.

Updates to the Proxy Peer Group. Although there were no significant changes to the prior proxy peer group selection methodology used to determine which companies to include in the 2018 proxy peer group, the company significantly broadened the scope of companies under consideration for the 2019 proxy peer group in November 2018, commensurate with changes to the size and scope of the company's business resulting from the merger and acquisition activity described above. Although it was ultimately decided to keep the overarching approach to the peer group review methodology largely unchanged, Willis Towers Watson and management recommended adjustments to the existing peer group screening criteria, including expansion of industry type and company size, to ensure that recent business shifts are reflected in the company's proxy peer group.

Competitive Analysis. The compensation committee also extensively reviewed external executive compensation pay data and related trends to ensure the company's executive compensation practices continue to align with market best practices.

Our Approach

Our compensation committee abides by the following philosophy when evaluating executive compensation:

Compensation Philosophy

Support a pay-for-performance culture;

Focus on achieving well-articulated goals while demonstrating leadership values;

Make compensation market-competitive to attract and retain top talent;

Reward individual contributions; and

Employ disciplined use of equity.

We continue to be committed to the ongoing review and alignment of our programs to ensure pay-for-performance while targeting our overall compensation within a range of the competitive market median.

Table of Contents

We also have the following policies, which are applicable to the named executive officers, in furtherance of good governance practices:

Governance Policies Applicable to Our Named Executive Officers

Anti-hedging policy;

Recoupment policy;

Policy against use of tax gross-ups; and

Policy of requiring double trigger for accelerated equity vesting in the event of a change in control.

Role of Executive Officers in Determining Executive Compensation

The compensation committee approves all compensation decisions relating to our named executive officers, including our executive chairman and our chief executive officer. As part of this process, our chief executive officer, together with our executive vice president of human resources, prepares compensation recommendations for each of our named executive officers, other than the executive chairman of the board and the chief executive officer, and presents these recommendations to the compensation committee for approval. Willis Towers Watson assists in this effort, periodically meeting with management to gain input on objectives with respect to executive compensation and assisting the compensation committee in its deliberations. Compensation recommendations for the executive chairman and chief executive officer are developed and approved by the compensation committee based on data and context provided by the executive vice president of human resources and Willis Towers Watson. No named executive officer is present when the committee makes decisions regarding his own compensation.

Executive Compensation Principles

Our executive compensation programs are based on four key principles:

Key Executive Compensation Principles

Pay should be linked to performance;

Compensation opportunities should be competitive with relevant peer companies;

The equity compensation program should align executive interests with those of stockholders; and

Supplemental benefits and perquisites should be limited and used selectively in specific circumstances to attract and retain executives.

Pay should be linked to performance.

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We believe that a significant portion of each senior executive's compensation should be variable. The performance of our senior executives has a significant impact on the overall performance of our company. To that end, a significant portion of the compensation opportunity provided to our senior executives is variable based on corporate and individual performance. We consider both annual cash bonuses and equity awards to be variable compensation.

Table of Contents

Compensation opportunities should be competitive with relevant peer companies.

The compensation committee reviews compensation levels and design at peer companies as part of its decision-making process so it can set total compensation levels that it believes are competitive and aligned with the company's performance. The compensation committee generally sets target total direct compensation for our executives to be competitive with peer companies and other market data, taking into consideration the scope of job responsibilities, individual performance, internal pay equity and other relevant factors. The compensation committee's executive compensation determinations are based on its review of such factors and are informed by the experiences of the members of the compensation committee, as well as peer group data and other input provided by Willis Towers Watson.

The market data considered by the committee as part of the annual pay-setting process reflects, where applicable, compensation levels and practices for executives in comparable positions at peer group companies and also includes broader compensation survey data. The compensation committee, with assistance from Willis Towers Watson, periodically reviews the composition of our peer group. As part of such reviews, the committee considers specific criteria and recommendations regarding companies to add or remove from the peer group, as well as resulting data and industry surveys to assist in its compensation decisions, as described below:

2018 Benchmarking and 2018 Proxy Peer Group. As in years past, in evaluating the appropriateness of the level of compensation of the named executive officers, other than the executive chairman, for 2018, the compensation committee continued to rely on a custom data sample from the Radford Global Life Sciences Survey comprised of publicly-traded companies that are (1) in the commercial biopharmaceutical, diagnostic and medical device industries and (2) similar to us in number of employees and prior year median revenue. This approach both serves as a long-standing historical data point and is commonly adopted within the life sciences industry. As a first step in the 2018 proxy peer group setting process, Willis Towers Watson was engaged to review the appropriateness of the previous proxy peer group and methodology adopted in 2017 to ensure continued relevance and comparability. The compensation committee reviewed the proxy peer group selection methodology followed in 2017 and decided to continue utilizing the same methodology for 2018.

Thus, in reviewing the executive market compensation analysis in January 2018 for the upcoming year, the compensation committee considered various inputs, including the 2018 Radford Global Life Sciences survey data. As in the prior year, in addition to the Radford Global Life Sciences Survey, the company also considered the Mercer SIRS Life Sciences Survey in order to provide an additional perspective of the competitive marketplace, which uses regressed data (as available) to focus specifically on the company's revenue size (the 2018 Radford Global Life Sciences Survey benchmarking data and the 2018 Mercer SIRS Life Sciences Survey benchmarking data are collectively referred to herein as the "2018 Survey Data"). Consistent with the approach followed in 2017, the compensation committee also reviewed peer group data from the proxy statements of select pharmaceutical and/or biotech companies.

To be considered for the 2018 proxy peer group, each reference company was required to meet several of the below screening criteria:

Revenues between \$250 million and \$1.5 billion;

Market capitalization between \$700 million and \$4.2 billion;

Positive net income;

Employee size between 600 and 3,600 full-time employees; and

Research and development expense between 5% and 25% of revenue.

Table of Contents

In November 2017, based on an assessment of the 2017 proxy peer group companies using the methodology discussed above, the compensation committee determined that, with the exception of Cepheid Inc., which had been acquired, all remaining members of the 2017 proxy peer group would remain in the 2018 proxy peer group because they met at least three (3) of five (5) of the recommended financial/size criteria. The 2018 proxy peer group includes the list of companies contained under the heading "Proxy Peer Groups 2018 Proxy Peer Group." In determining pay decisions for 2018, Willis Towers Watson utilized the most current survey data and proxy data available at the time, collecting from each data source each of the 25th, 50th and 75th percentiles for the assessed pay elements as additional points of reference for the compensation committee. The compensation committee relied on these data sources to assist in setting base salaries, target bonus percentages, target total cash compensation, long-term incentive award guidelines and target total direct compensation.

2019 Benchmarking and 2019 Proxy Peer Group. In anticipation of the compensation committee's competitive market review of executive officer compensation to be conducted in early 2019, the company once again engaged Willis Towers Watson at the end of 2018 to review its proxy peer group for relevance and comparability. As a first step in the proxy peer group setting process, in November 2018, Willis Towers Watson reviewed the appropriateness of the previous proxy peer group and methodology in light of the company's evolving business strategy and recent growth through acquisitions. Although it was decided to keep the overarching approach to the peer group review methodology largely unchanged, Willis Towers Watson and management developed a number of recommended adjustments to the existing peer group screening criteria, including expanding the industry type and company size, to ensure that recent business shifts are reflected in the company's proxy peer group. For 2019, in making compensation decisions for our named executive officers, other than the executive chairman, the compensation committee relied on a custom data sample from the Radford Global Life Sciences Survey comprised of publicly-traded companies that are (1) in the commercial biopharmaceutical, diagnostic and medical device, healthcare equipment and life sciences tool and services industries and (2) similar to us in number of employees and revenue. The approach for 2019 reflects the company's recent product composition change and growth. Thus, in reviewing the executive market compensation analysis in February 2019, the compensation committee considered various inputs, including the 2019 Radford Global Life Sciences survey data. As in the prior year, in addition to the Radford Global Life Sciences Survey, the company also considered the Mercer SIRS Life Sciences Survey in order to provide an additional perspective of the competitive marketplace, which uses regressed data (as available) to focus specifically on the company's revenue size (the 2019 Radford Global Life Sciences Survey benchmarking data and the 2019 Mercer SIRS Life Sciences Survey benchmarking data are collectively referred to herein as the "2019 Survey Data"). Consistent with the approach followed in 2019, the compensation committee also reviewed peer group data from the proxy statements of the peer group companies approved in November 2018.

To be considered for the 2019 proxy peer group, the reference company was required to meet several of the below screening criteria, which reflect the company's significantly increased employee size and rapid growth in revenue and market capitalization over the past two years:

Revenues between \$400 million and \$2.4 billion;

Market capitalization between \$1.3 billion and \$7.8 billion;

Positive net income;

Employee size between 875 and 5,250 full-time employees; and

Research and development expense between 5% and 25% of revenue.

Table of Contents

In November 2018, based on an assessment of the 2018 proxy peer group companies using the expanded 2019 methodology discussed above, the compensation committee determined to retain seven (7) existing peers that met at least three (3) of five (5) of the recommended financial/size criteria; remove six (6) peer companies that did not meet a majority of the financial/size criteria; remove two (2) peer companies that had significant developments occur in their business within the past year that made them no longer compatible; and remove one (1) company that had been acquired.

As part of the screening process for potential replacement peer companies, a total of 41 companies that met three (3) or more of the established screening criteria were evaluated, but the final group of companies was selected to ensure that the company is generally positioned in line with the 50th percentile in terms of overall scope. Based on the advice of Willis Towers Watson, the management team recommended, and the compensation committee decided, to amend the proxy peer group that was used in 2018 to include the companies below under the heading "2019 Proxy Peer Group":

Proxy Peer Groups

2018 Proxy Peer Group

Acorda Therapeutics, Inc.
Akorn, Inc.
AMAG Pharmaceuticals, Inc.
Amphastar
Pharmaceuticals, Inc.
Bio-Techne Corporation
Cambrex Corporation
Depomed, Inc.
Genomic Health Inc.
Impax Laboratories Inc.

INSYS Therapeutics, Inc.
Lannett Company, Inc.
MiMedx Group, Inc.
Myriad Genetics, Inc.
Pacira Pharmaceuticals, Inc.
Repligen Corporation
Supernus Pharmaceuticals, Inc.

2019 Proxy Peer Group

Akorn, Inc.
Amneal Pharmaceuticals, Inc.
Amphastar Pharmaceuticals, Inc.
Bio-Techne Corporation

Bruker Corporation
Cambrex Corporation
Exelixis, Inc.
Globus Medical, Inc.
Integra LifeSciences Holdings
Corporation
Masimo Corporation
NuVasive, Inc.
Supernus Pharmaceuticals, Inc.
United Therapeutics Corporation
Myriad Genetics, Inc.
Repligen Corporation

In determining pay decisions for 2019, Willis Towers Watson utilized the most recent survey data and proxy data available, collecting from each data source each of the 25th, 50th and 75th percentiles for the assessed pay elements as additional points of reference for the compensation committee. The compensation committee relied on these data sources to assist in setting base salaries, target bonus percentages, target total cash compensation, long-term incentive award guidelines and target total direct compensation.

Executive Chairman Compensation Decisions. In making its compensation decisions for the executive chairman, the compensation committee historically reviewed market data of a broad range of similarly-sized companies from various industries with an executive chairman role. However, that data demonstrated that companies often use very different approaches in determining compensation for the executive chairman position based on company-specific circumstances, which leads to divergent compensation practices across the reference group of companies. Moreover, executive chairman arrangements are often transitional in nature, so maintaining a consistent data set is challenging. Accordingly, in 2015, the compensation committee determined that it would consider internal parity within the executive team and

Table of Contents

competitive market data summaries for comparable roles when determining appropriate pay recommendations for the executive chairman, in addition to considering factors such as level of involvement, scope of responsibilities, founder status, equity held and tenure, which had been historically considered. The compensation committee has continued to follow the same procedure in setting compensation for our executive chairman in 2018 and 2019.

The equity compensation program should align executive interests with those of stockholders. We believe annual equity awards align the compensation opportunity for our executives with stockholder value creation and encourage participants to focus on long-term company performance.

Beginning in 2017, we added a performance-based equity award component to our equity compensation program, a practice we continued for 2018 and 2019. The PSUs are intended to provide a performance-based element to the mix of annual equity grants. The PSUs granted in February 2017, February 2018 and February 2019 will result in the issuance of a number of shares (and cash equal to the aggregate amount of dividends paid by the company between the grant date and the date of issuance of such shares, in each case with respect to the number of shares that vest under the PSUs based on the level of achievement of the performance goals) based on the level of achievement with respect to adjusted net income as a percentage of total GAAP revenue for the 2019, 2020 and 2021 fiscal years, respectively. Achievement of the threshold performance objective, target performance objective and maximum performance objective will result in a share (and corresponding cash relating to dividends paid by the company between the grant date and the date of issuance of shares) payout of 50%, 100% and 150% of the target number of shares, respectively. Performance below the 50% threshold will result in no payout.

The PSUs approved by the compensation committee in February 2017 will vest based on the achievement of the performance goal for the 2019 fiscal year, as certified by the compensation committee following the January 1, 2017 to December 31, 2019 performance period. The PSUs approved by the compensation committee in February 2018 will vest based on the achievement of the performance goal for the 2020 fiscal year, as certified by the compensation committee following the January 1, 2018 to December 31, 2020 performance period. The PSUs approved by the compensation committee in February 2019 will vest based on the achievement of the performance goal for the 2021 fiscal year, as certified by the compensation committee following the January 1, 2019 to December 31, 2021 performance period.

Other than to the executive chairman, we grant a mix of long-term incentive vehicles to our named executive officers, such that 50% of the value of the total long-term incentive award is delivered in the form of stock options, 25% of the value is delivered in the form of RSUs that vest based on the executive remaining in service during the three-year vesting period, and 25% of the value is delivered in the form of PSUs that vest based on a combination of the achievement of adjusted net income as a percentage of total revenue at the end of a three-year performance period and the executive remaining in service with the company for a specified period. For annual grants to our executive chairman, 50% of the value is made in the form of stock options and 50% of the value is made in the form of RSUs that vest solely based on the passage of time.

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Table of Contents

Supplemental benefits and perquisites should be limited and used selectively in specific circumstances to attract and retain executives.

We use supplemental benefits, such as travel expense reimbursement, on a very limited case-by-case basis and only to the extent we consider necessary to attract or retain specific executives.

Elements of Executive Compensation

Compensation for our executives generally consists of the following elements:

Base salary;

Annual cash bonuses;

Equity awards;

Traditional benefits generally available to all employees; and

Severance and change of control benefits.

Base Salary. We generally provide base salaries to our named executive officers within a competitive range of the 50th percentile of the applicable survey and proxy data as described above, with the exception of our executive chairman, whose base salary is determined by the range of factors addressed in detail above. While we target the market median, we recognize that the percentile for any given executive may vary below or above market median based on a variety of factors, including the executive's time in the role, scope of responsibilities, individual performance and potential future contributions to our company. In addition, we consider our overall financial performance in making decisions to adjust executive salaries. The compensation committee reviews base salaries at least annually and adjusts such salaries from time to time to realign them with market levels after taking into account individual responsibilities, performance and experience. The factors considered in making a specific adjustment to base salary may relate to a change in the emphasis placed on one or more of the factors that were used to set the initial base salary for a particular named executive officer, or reflect a new factor that arises in the course of our operations.

The compensation committee used the information described above in approving the following annual base salaries paid to our named executive officers for 2018 and 2019.

Name	2018 Base Salary	2019 Base Salary	Increase from 2018
Fuad El-Hibri ⁽¹⁾	\$ 1,023,339	\$ 1,054,040	\$ 30,701
Robert G. Kramer, Sr.	\$ 540,000	\$ 556,213 ⁽²⁾	\$ 16,213
		\$ 700,003 ⁽³⁾	\$ 160,000
Richard S. Lindahl ⁽¹⁾	\$ 500,000 ⁽⁴⁾	\$ 515,029	\$ 15,029
Adam Havey ⁽¹⁾	\$ 470,018	\$ 484,120	\$ 14,102
Atul Saran ⁽¹⁾	\$ 489,278	\$ 503,963	\$ 14,685
Daniel J. Abdun-Nabi ⁽¹⁾	\$ 814,112	\$ 838,552 ⁽⁵⁾	\$ 24,440

(1) 2019 Base salary reflects a 3% merit increase over 2018, which average is generally consistent with the increases applied for the company's broad-based employee population.

(2) Represents Mr. Kramer's full year 2019 base salary as president and chief operating officer, which will be prorated for the period from January 1, 2019 to March 31, 2019.

(3)

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Represents Mr. Kramer's full year 2019 base salary as president and chief executive officer, which will be prorated for the period from April 1, 2019 to December 31, 2019.

(4)

Mr. Lindahl joined the company in March 2018. Accordingly, the 2018 base salary represents the full year salary that Mr. Lindahl would have received if he had been employed with the company for the entire year.

Table of Contents

(5) Represents Mr. Abdun-Nabi's full year 2019 base salary, which will be prorated through March 31, 2019, his retirement date.

Annual Cash Bonuses. The compensation committee has the authority under our annual bonus plan for executive officers to award annual cash bonuses to our executives. Each executive, other than our executive chairman, is eligible for an annual bonus, which is intended to motivate and compensate each executive for achieving financial and operational goals and individual performance objectives. The amount of annual bonuses that are payable under this plan is reviewed and approved by the compensation committee. Our Annual Bonus Plan utilizes a formulaic approach. Bonus amounts are determined as follows:

The philosophy of the compensation committee is to set bonus targets at approximately the 50th percentile as measured against the applicable survey data and proxy peer data. No participant may earn a bonus of more than 150% of target under the annual bonus plan. The corporate factor may range from 0 to 1.5, based on our achievement of corporate goals determined by the compensation committee, and the individual factor may range from 0 to 1.5, based on an evaluation of each participant's performance of day-to-day responsibilities, behavioral competencies, and achievement of individual goals determined by the compensation committee. The compensation committee may also award discretionary bonuses outside of the framework of the bonus plan. Discretionary year-end bonuses were awarded to Robert G. Kramer, Sr. and Daniel J. Abdun-Nabi for the 2018 fiscal year performance period to recognize significant and distinct contributions toward our chief executive officer transition planning process.

In January 2019, the compensation committee met to determine the corporate factor to be applied to bonuses paid for 2018 performance. As outlined in the table below, the company accomplished at or above target performance against each of the operational goals, which indicates that the company's executive team performed very well during 2018. Accordingly, the compensation committee approved a corporate factor of 1.20. With the exception of one-time special bonuses noted above that were awarded to Messrs. Kramer and Abdun-Nabi for their extraordinary efforts on the chief executive officer transition planning process, bonuses paid to the named executive officers were calculated based on their individual goals. The individual goals of the named executive officers that participated in the annual bonus plan in 2018 were the same as the corporate goals, so the individual factor was 1.20. In reviewing our performance against goals set for 2018, the committee considered both financial and non-financial achievement of goals. In its deliberations, the committee considered the factors outlined in the table below and determined that we had achieved 120% of our overall targets.

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Table of Contents

The compensation committee reviewed our primary 2018 corporate goals and assessed the degree to which we achieved those goals, as follows:

2018 Corporate Goal	Rating	Details of Performance Against Corporate Goal
Achieve revenue of \$736 million, with a target of 6% from ex-U.S.*	Meets	Achieved organic revenue of approximately \$732.3 million (or 99.4% of goal); including international revenue of \$29 million, or 4% of total revenue. These amounts exclude the impact of the Adapt Pharma and PaxVax acquisitions.
Achieve adjusted net income of \$103 million.*	Meets	Achieved adjusted net income of approximately \$106.4 million (103% of goal); which excludes acquisition-related costs and the acquired operations of Adapt Pharma and PaxVax.
Submit EUA application for AV7909 and progress four products into advanced development.*	Exceeds	<p>AV7909 EUA application filed with the FDA on December 21, 2018.</p> <p>Five clinical programs are at Phase 2 stage or beyond:</p> <p>AV7909 Phase 2 is underway; first subject enrollment for Phase 3 is targeted for 2019;</p> <p>FLU-IGIV Phase 2 is underway; Phase 3 is targeted for 2020;</p> <p>ZIKV-IG Phase 1 enrollment completed in 2018; Phase 2 is ready for 2019;</p> <p>VLA1601 Phase 1 completed; Phase 2 ready for 2019; and</p> <p>Progression of Trobigard toward regulatory submissions and approvals in Netherlands and Belgium.</p>