CAMBREX CORP
Form DEF 14A
March 18, 2011

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant ý
Filed by a party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	Confidential, For Use of the Commission Only (as permitted by Rule 14a—6(e)(2))
ý	Definitive Proxy Statement
o	Definitive additional materials
¨	Soliciting material under Rule 14a-12

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

____

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý	No fee required.
¨	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(2)	Aggregate number of securities to which transactions applies:
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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

CAMBREX CORPORATION

March 25, 2011

Dear Stockholder,

You are cordially invited to attend the Annual Meeting of Stockholders of Cambrex Corporation. This year's meeting will be held on April 28, 2011, at 1:00 P.M. at the Metropolitan Center, One Meadowlands Plaza, East Rutherford, New Jersey 07073. Your Board of Directors and management look forward to greeting personally those stockholders who are able to attend.

At this year's meeting, you will be asked (1) to elect nine directors; (2) to hold an advisory vote on the compensation of executives as disclosed in the Proxy Statement ("Say on Pay Vote"); (3) to hold an advisory vote on the proposal regarding the frequency of the Say on Pay Vote; (4) to consider and act upon the approval of a Long-Term Incentive Plan; and (5) to ratify the selection of BDO USA, LLP ("BDO") as the Company's independent registered public accountants for the fiscal year ending December 31, 2011.

Your vote is important. Whether you plan to attend the meeting or not, please complete the enclosed proxy card and return it as promptly as possible. The enclosed proxy card contains instructions regarding voting. If you attend the meeting, you may continue to have your shares voted as instructed in the proxy, or you may withdraw your proxy at the meeting and vote your shares in person.

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

CAMBREX CORPORATION
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD APRIL 28, 2011

Notice Is Hereby Given that the 2011 Annual Meeting of Stockholders of Cambrex Corporation ("Company") will be held at the Metropolitan Center, One Meadowlands Plaza, East Rutherford, New Jersey 07073 on April 28, 2011, at 1:00 P.M. for the following purposes:

1. To elect nine (9) directors to hold office until the 2012 Annual Meeting of Stockholders and until their successors shall be elected and qualified;

2. To hold an advisory vote on the compensation of executives as disclosed in the Proxy Statement ("Say on Pay Vote");

3. To hold an advisory vote on a proposal regarding the frequency of the Say on Pay Vote;

4. To consider and act upon the approval of a Long-Term Incentive Plan;

5. To consider and act upon the ratification of the appointment of BDO as independent registered public accountants for the fiscal year ending December 31, 2011; and

6. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only stockholders of record of Common Stock of the Company at the close of business on March 15, 2011, will be entitled to vote at the meeting. The list of such stockholders will be available for inspection by stockholders during the ten days prior to the meeting in accordance with Section 219 of the Delaware General Corporation Law at One Meadowlands Plaza, East Rutherford, New Jersey 07073 and will also be available at the Annual Meeting. Stockholders may make arrangements for such inspection by contacting F. Michael Zachara, Vice President, General Counsel & Secretary, Cambrex Corporation, One Meadowlands Plaza, East Rutherford, New Jersey 07073.

By order of the Board of Directors,

/s/ F. Michael Zachara
F. Michael Zachara,
Secretary

March 25, 2011

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

CAMBREX CORPORATION

2011 ANNUAL MEETING OF
STOCKHOLDERS
PROXY STATEMENT

PROXY SOLICITATION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors ("Board") of Cambrex Corporation ("Cambrex" or the "Company") for use at the 2011 Annual Meeting of Stockholders to be held on April 28, 2011, and at any adjournment of the meeting. The address of the Company's principal executive office is One Meadowlands Plaza, East Rutherford, New Jersey 07073. This Proxy Statement and the form of proxy are being mailed to stockholders commencing on or about March 25, 2011.

The costs of soliciting proxies will be borne by the Company. Brokerage houses, banks, custodians, nominees and fiduciaries are being requested to forward the proxy material to beneficial owners, and their reasonable expenses therefore will be reimbursed by the Company. Solicitation will be made by mail and also may be made personally, by telephone or electronic mail by the Company's officers, directors and employees without special compensation for such activities. In addition, the Company has engaged Alliance Advisors, L.L.C. to provide corporate governance advice and to assist in the solicitation of proxies for a fee of not more than $10,000 plus reimbursement of out-of-pocket expenses.

VOTING OF PROXY AND REVOCABILITY

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

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a brokerage firm, bank, broker dealer, or other similar organization, then you are the beneficial owner of shares held in "street name", and this Proxy Statement was forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to instruct that organization on how to vote the shares held in your account. As a beneficial stockholder, there are four ways to vote: (1) in person at the Annual Meeting, by obtaining a legal proxy from the organization that holds your shares (please contact that organization for instructions regarding obtaining a legal proxy), (2) via the Internet, by visiting www.proxyvote.com and entering the control number found on the proxy card, (3) by telephone, by calling the toll free number found on the vote instruction form, and (4) by mail, by filling out the vote instruction form and sending it back in the envelope provided. Properly executed proxies received by the Company will be voted in accordance with the instructions indicated thereon. However, if as a beneficial owner, you do not provide the organization that holds your shares with specific voting instructions, under applicable New York Stock Exchange rules, that organization may generally vote on "routine" matters but cannot vote on "non-routine" matters. If that organization does not receive instructions from you on how to vote your shares on a non-routine matter, the organization that holds your shares may inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares, which is generally referred to as a “broker non-vote”. At this Annual Meeting, only the ratification of the appointment of BDO as the Company’s independent registered public accountants for the fiscal year ending December 31, 2011, is a matter considered routine, which means that a broker or other nominee may generally vote on this matter and no broker non-votes are expected to exist in connection with this routine matter. Otherwise, the proposals regarding the election of directors, the advisory Say on Pay Vote, the advisory vote on the frequency on the Say on Pay Vote, and the Long-Term Incentive Plan are non-routine matters, which means that a broker or other nominee cannot vote without your instructions, and therefore there may be broker non-votes on these proposals.

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

The Company knows of no reason why any of the nominees named herein would be unable to serve for the terms indicated. In the event, however, that any such nominee should, prior to the election, become unable to serve as a director, unless the Board decides to decrease the size of the Board, the proxy will be voted for such substitute nominee as the Board of Directors shall propose.

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

RECORD DATE, QUORUM AND VOTING RIGHTS

The Company has only one class of voting securities, which is the Common Stock, par value $0.10 ("Common Stock"). Only holders of Common Stock of the Company of record at the close of business on March 15, 2011, will be entitled to vote at the meeting. On such record date there were outstanding and entitled to vote 29,419,055 shares of Common Stock and each such share is entitled to one vote.

The holders of a majority of the shares entitled to vote at the Annual Meeting, present in person or by proxy, shall constitute a quorum. Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present.

Please see each proposal for a detailed description of the votes required as well as the treatment of abstentions and broker non-votes, as applicable.

PRINCIPAL STOCKHOLDERS

The following sets forth information with respect to the only persons of which the Company is aware as of February 15, 2011, who may be deemed to beneficially own more than 5% of the outstanding Common Stock of the Company:

Name and Address	Number of Shares Beneficially Owned(1)	Percent of Class(2)
Royce & Associates, LLC 745 Fifth Avenue New York, NY 10151	2,224,909(3)	7.6%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	2,209,133(4)	7.5%
Heartland Advisors, Inc. 789 North Water Street Milwaukee, WI 53202	2,000,000(5)	6.8%
Snyder Capital Management, L.P. Snyder Capital Management, Inc. One Market Plaza Steuart Tower, Suite 1200 San Francisco, CA 94105	1,940,485(6)	6.6%
Neuberger Berman Inc. Neuberger Berman, LLC 605 Third Avenue New York, NY 10158	1,901,876(7)	6.5%
Ameriprise Financial, Inc. Columbia Management Investment Advisors LLC 145 Ameriprise Financial Center Minneapolis, MN 55474	1,849,106(8)	6.3%
Wentworth, Hauser & Violich, Inc. 301 Battery Street, Suite 400 San Francisco, CA 94111-3203	1,685,529(9)	5.7%

(1) Unless otherwise indicated, (a) share ownership is based upon information furnished to the Company as of February 15, 2011, by the beneficial owner, and (b) each beneficial owner has sole voting and investment power with respect to the shares shown.

(2) For the purpose of this table, the percent of issued and outstanding shares of Common Stock of the Company held by each beneficial owner has been calculated on the basis of 29,477,530 shares of Common Stock issued and outstanding (excluding treasury shares) on February 15, 2011.

(3)

Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on January 12, 2011, by Royce & Associates, LLC ("Royce"). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Royce's Schedule 13G.

(4) Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on February 3, 2011, by BlackRock, Inc. ("BlackRock"). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in BlackRock's Schedule 13G.

(5) Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on February 10, 2011, by Heartland Advisors, Inc. ("Heartland"). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Heartland's Schedule 13G.

(6) Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on February 14, 2011, by Snyder Capital Management, L.P. ("SCMLP") and Snyder Capital Management, Inc. ("SCMI"). The foregoing information has been included solely in reliance upon, and without independent investigation of the disclosures contained in SCMLP's and SCMI's Schedule 13G.

(7) Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on February 14, 2011, by Neuberger Berman Group LLC and Neuberger Berman, LLC ("Neuberger"). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Neuberger's Schedule 13G.

(8) Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on February 11, 2011, by Ameriprise Financial, Inc. ("Ameriprise"). Ameriprise as the parent company of Columbia Management Investment Advisers, LLC ("CMIA"), may be deemed to beneficially own the shares reported therein by CMIA. Accordingly, the shares reported therein by Ameriprise include those shares separately reported therein by CMIA. The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Ameriprise's Schedule 13G.
(9) Based on information as of December 31, 2010, obtained from a Schedule 13G filed with the SEC on February 14, 2011, by Wentworth, Hauer & Violich, Inc. ("Wentworth"). The foregoing information has been included solely in reliance upon and without independent investigation of the disclosures contained in Wentworth's Schedule 13G.

COMMON STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS

The following table gives information concerning the beneficial ownership of the Company's Common Stock on February 15, 2011, by (i) each nominee for election as a director, (ii) each of the "Named Executive Officers" set forth in the Summary Compensation Table (below) and (iii) all directors and executive officers of the Company as a group.

Beneficial Owners	Shares Beneficially Owned(1)		Percent of Class(2)	
David R. Bethune	17,482	(3)	*	
Rosina B. Dixon, M.D.	36,238	(4)	*	
Kathryn Rudie Harrigan	41,170	(5)	*	
Leon J. Hendrix, Jr.	97,025	(6)	*	
Ilan Kaufthal	113,090	(7)	*	
Steven M. Klosk	265,024	(8)	*	
William B. Korb	85,821	(9)	*	
John R. Miller	29,755	(10)	*	
Peter Tombros	55,552	(11)	*	
Aldo Magnini	74,815	(12)	*	
Paolo Russolo	123,609	(13)	*	
Gregory P. Sargen	102,693	(14)	*	
F. Michael Zachara	28,750	(15)	*	
All Directors and Executive Officers as a Group (13 Persons)	1,071,024	(16)	3.63	%

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

(1) Except as otherwise noted, reported share ownership is as of February 15, 2011. Unless otherwise stated, each person has sole voting and investment power with respect to the shares of Common Stock he or she beneficially owns.
(2) For the purpose of this table, the percent of issued and outstanding shares of Common Stock of the Company held by each beneficial owner has been calculated on the basis of (i) 29,477,530 shares of Common Stock issued and outstanding (excluding treasury shares) on February 15, 2011, and (ii) all shares of Common Stock subject to stock options which are held by such beneficial owner and are exercisable within 60 days of February 15, 2011.
(3) The number of shares reported includes 6,000 shares issuable upon exercise of options granted under the Company's 1998 and 2004 stock option Plans
(4) The number of shares reported includes 10,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans.
(5) The number of shares reported includes 8,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998 and 2001 stock option Plans.
(6)

The number of shares reported includes 12,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans and 66,043 share equivalents held at February 15, 2011, in the Company's Directors' Deferred Compensation Plan.

(7) The number of shares reported includes 12,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans.

(8) The number of shares reported includes 93,500 shares issuable upon exercise of options granted under the Company's Stock Option Plans, 29,876 restricted stock units and 49,121 share equivalents held at February 15, 2011, in the Company's Deferred Compensation Plan.

(9) The number of shares reported includes 12,000 shares issuable upon exercise of options granted under the Company's 1994, 1996, 1998, 2001 and 2004 stock option Plans, 1,000 shares held by a family member for which beneficial ownership of such shares is disclaimed, and 61,339 share equivalents held at February 15, 2011, in the Company's Directors' Deferred Compensation Plan.

(10) The number of shares reported includes 12,000 shares issuable upon exercise of options granted under the Company's 1996, 1998, 2001 and 2004 stock option Plans.

(11) The number of shares reported includes 12,000 shares issuable upon exercise of options granted under the Company's 1996, 1998, 2001 and 2004 stock option Plans, and 31,070 share equivalents held at February 15, 2011, in the Company's Directors' Deferred Compensation Plan.
(12) The number of shares reported includes 27,000 shares issuable upon exercise of options granted under the Company's Stock Option Plans and 16,199 restricted stock units.
(13) The number of shares reported includes 48,625 shares issuable upon exercise of options granted under the Company's Stock Option Plans and 19,589 restricted stock units.
(14) The number of shares reported includes 58,875 shares issuable upon exercise of options granted under the Company's Stock Option Plans and 22,684 restricted stock units.
(15) The number of shares reported includes 18,750 shares issuable upon exercise of options granted under the Company's Stock Option Plans.
(16) The number of shares reported includes 330,750 shares issuable upon exercise of options that are currently exercisable or will become exercisable within 60 days, 88,348 restricted stock units, 158,452 share equivalents held at February 15, 2011, in the Director's Deferred Compensation Plan and 49,121 share equivalents held at February 15, 2011, in the Company's Deferred Compensation Plan. Shares held by immediate family members are not included and beneficial ownership of such shares is disclaimed.

PROPOSAL NO. 1
ELECTION OF DIRECTORS

Directors elected at this Annual Meeting shall hold office until the first annual meeting of stockholders following their election and until a successor shall have been elected and qualified or until the director's prior death, resignation or removal. That being the case, at this Annual Meeting nine (9) directors will be elected to hold office until the 2012 Annual Meeting and until their successors shall be elected and qualified. Each of the nominees has consented to serve as a director if elected. To be elected, each nominee for director requires a majority of the votes cast.

For purposes of electing directors, a "majority of the votes cast" means that the number of votes cast "for" a director exceeds the number of votes cast "against" that director. The Governance Committee has established procedures under which any director who is not elected (because the number of votes cast against such director's candidacy exceed the number of votes cast in favor of that candidacy) shall tender his or her resignation to the Board. In such case, the Governance Committee will make a recommendation to the Board on whether to accept or reject the offer to resign, or whether other action should be taken. The Board will act on the Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results.

An uncontested election of directors is no longer considered a "routine" item under the New York Stock Exchange rules. As a result, brokers holding shares beneficially owned by their clients will no longer have the ability to cast votes with respect to the election of directors unless they have received instructions from the beneficial owner of the shares. It is therefore important that you provide instructions to your broker if your shares are held by a broker so that your vote with respect to directors is counted. Abstentions and broker non-votes will not be counted in connection with the election of directors. The following sets forth with respect to the nine persons who have been nominated by the Board for election at this Annual Meeting certain information concerning their positions with the Company and principal outside occupations and other directorships held. Except as otherwise disclosed herein, none of the corporations or organizations listed below is a parent, subsidiary or other affiliate of the Company.

The Board recommends a vote FOR the election of the nine (9) Nominees named below.

Nominees for Election to Serve as Directors Serving until the 2012 Annual Meeting

The Company's Corporate Governance Guidelines establish criteria for membership on the Board. Under these criteria, the Governance Committee seeks to identify a diverse group of candidates for the Board. These candidates should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the stockholders. While neither the Board nor the Governance Committee has a formal policy regarding diversity in evaluating candidates, the Committee seeks to select nominees with a broad diversity of experience, profession, skills, geographic representations and backgrounds. The skills and backgrounds of the nominees should include, among other things, experience in making decisions, a track record of competent judgment, the ability to function rationally and objectively and experience in different businesses and professions. The Committee does not assign specific weight to particular criteria and not all criteria apply to every candidate. The Board believes that as a group the Board consists of a sufficiently diverse group in terms of experience, knowledge and abilities to allow the Board to fulfill its responsibilities to the stockholders and the Company. Based on the experiences, attributes and skills of each of the Board's nominees set forth below, which exemplify the sought-after characteristics described above, the Board has concluded that each nominee possesses the appropriate qualifications to serve as a director of the Company.

David R. Bethune (age 70). Director since 2005. Member of the Audit and Governance Committees of the Board. Retired Chairman and Chief Executive Officer of Zila, Inc., a specialty pharmaceutical company focused on the prevention and treatment of oral cancer, where he had been a director from 2005 to 2009 and Chief Executive Officer from April 2008 to October 2009. He was appointed chairman of the board on May 21, 2007. Mr. Bethune is also retired Chairman and Chief Executive Officer of Atrix Laboratories, a drug delivery and product development company and was a director of that company for ten years. Prior to Atrix Laboratories, he was President and Chief Operating Officer of IVAX Corporation, a pharmaceutical company. Before joining IVAX, he began a start-up pharmaceutical company venture formed by Mayo Medical Ventures, a business unit of Mayo Clinics of Rochester. He previously served as group Vice President and a member of the Executive Committee of American Cyanamid Company where he had executive authority for human biologicals, consumer health products, pharmaceuticals and ophthalmics as well as global medical research. He was also President of the Lederle Laboratories Division of American Cyanamid Company and President of GD Searle's North American operations in the 1980's. He currently serves as a Board Member of the Female Health Company.

As the former Chief Executive Officer of Zila, Inc. and Atrix Laboratories and former Chief Operating Officer of Ivax Corp., Mr. Bethune brings to the Board considerable management and operational experience as well as extensive knowledge in the development of pharmaceutical formulations, API's as well as generic pharmaceutical production and marketing. In addition, Mr. Bethune gained a vast understanding of the role of the Board of Directors during his tenure on the Boards of Zila, Inc. and Atrix Laboratories.

Rosina B. Dixon, M.D. (age 68). Director since 1995. Chairperson of the Compensation Committee and Member of the Regulatory Affairs Committee of the Board. Dr. Dixon has been Senior Director, Global Pharmacovigilance and Epidemiology at Sanofi-Aventis, Bridgewater, NJ since September 2006. From May 1986 to September 2006 she was a consultant to the pharmaceutical industry. Dr. Dixon previously served as Vice President and Secretary of Medical Market Specialties Incorporated, as well as a member of its Board of Directors. She was also previously Medical Director, Schering Laboratories, Schering-Plough Corporation. Prior to that, Dr. Dixon was Executive Director Biodevelopment, Pharmaceuticals Division, CIBA-GEIGY Corporation. Dr. Dixon has been a member of the Board of Directors of Church & Dwight Co., Inc. since 1979.

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

Kathryn Rudie Harrigan (age 60). Director since 1994. Member of the Audit and Regulatory Affairs Committees of the Board. In 1993, Dr. Harrigan became the first Henry R. Kravis Professor of Business Leadership at Columbia University Business School. Dr. Harrigan was previously Professor, Management Division of the Columbia University Business School and Academic Director of the Jerome A. Chazen Institute for International Business at Columbia University. Dr. Harrigan is a founding member of the Strategic Management Society. She has taught in several executive development programs for Columbia Business School, for Management Centre Europe (London and Brussels), Frost & Sullivan (London and Frankfurt), and Business Week Executive Programs (Amsterdam and several U.S. cities). She has taught in the Executive MBA Programs of Seoul National University, Ben Gurion University, St. Gallen University (Switzerland), and the Indian Institute of Planning and Management (India). In 1989, Dr. Harrigan was elected a Fellow of the Academy of Management and has served on its Board of Governors as well as the Advisory Board of Ronin Development Corporation. She has written for and has served on the Board of Editors of various journals including the Strategic Management Journal, Academy of Management Review (Consulting Editor), Academy of Management Journal, Columbia Journal of World Business, Academy of Management Executive, Journal of Business Strategy, and Journal of Engineering and Technology Management.

Dr. Harrigan's significant academic experiences include educating graduate level students in international and domestic business at top tier business schools and teaching executive development programs in several U.S. cities, the UK, Germany, Switzerland, and India, and earned her the distinction of being named the first Henry R. Kravis Professor of Business Leadership at Columbia University Business School. The depth and breadth of Dr. Harrigan's exposure to complex business issues worldwide makes her a skilled advisor.

Leon J. Hendrix, Jr. (age 69). Director since 1995. Chairman of the Governance Committee and Member of the Compensation Committee of the Board. Mr. Hendrix retired as Chairman of Remington Arms Co. in May 2007. He was Chairman of Remington Arms Co. from December 1997 and from December 1997 until April 1999 he was also Chief Executive Officer. From 1993 to 2000, Mr. Hendrix was a Principal of Clayton, Dubilier & Rice, Inc., a private investment firm. Prior thereto, Mr. Hendrix was with Reliance Electric Company, a manufacturer and seller of industrial and telecommunications equipment and services. Since 1973, he held a series of executive level positions with Reliance Electric Company, most recently as Chief Operating Officer and was a member of the Board of Directors since 1992. Mr. Hendrix was a member of the Board of Directors of Keithley Instruments, Inc. from 1990 to 2010 and NACCO Industries from 1995 to 2006. He is a Member and Past Chairman of the Clemson University Board of Trustees.

Having been the Chief Executive Officer of Remington Arms Co. and holding a series of executive level positions including Chief Operating Officer at Reliance Electric Company, Mr. Hendrix has extensive business experience. In addition, Mr. Hendrix's position as a Principal of Clayton, Dubilier & Rice, Inc. has provided him significant experience in dealing with financial matters and his positions on the Boards of Reliance, Keithley Instruments, Inc., NACCO Industries and the Clemson University Board of Trustees have provided him valuable insight into the role of the Board of Directors.

Ilan Kaufthal (age 63). Director since formation of the Company in 1983. Member of the Audit and Compensation Committees of the Board. Mr. Kaufthal is currently Senior Advisor at Irving Place Capital, a private equity firm. He was Vice Chairman of Investment Banking at Bear, Stearns & Co. Inc. until June 2008. Prior to joining Bear, Stearns & Co. Inc., Mr. Kaufthal was with Schroder & Co. Incorporated as Vice Chairman and head of mergers and acquisitions for thirteen years. Prior thereto, he was with NL Industries, Inc., a firm in the chemicals and petroleum services businesses, as its Senior Vice President and Chief Financial Officer.

With his extensive background in the investment banking community coupled with his business experience as the Chief Financial Officer of NL Industries, Mr. Kaufthal brings a unique perspective to the Board. Mr. Kaufthal's extensive investment banking experience makes him an invaluable advisor particularly in the context of merger and acquisition activities.

Steven M. Klosk (age 54). Director since 2008. In May 2008 Mr. Klosk was appointed President and Chief Executive Officer of Cambrex and became a member of the Board. He was appointed Executive Vice President and Chief Operating Officer of Cambrex in February 2007 and assumed the responsibility of the Pharma business as Executive Vice President and Chief Operating Officer–Biopharma & Pharma in August 2006. He assumed direct responsibility for the leadership of the Biopharmaceutical Business Unit as Chief Operating Officer in January 2005. Mr. Klosk joined Cambrex in October 1992 as Vice President-Administration. He was appointed Executive Vice President-Administration in October 1996 and was promoted to the position of Executive Vice President, and Chief Operating Officer for the Cambrex Pharma and BioPharmaceutical Business Unit in October 2003. From 1988 until he joined Cambrex, Mr. Klosk was Vice President, Administration and Corporate Secretary for The Genlyte Group, Inc. From 1985 to 1988, he was Vice President, Administration for Lightolier, Inc., a subsidiary of The Genlyte Group, Inc. Mr. Klosk currently serves on the Board of Directors of NPS, a privately held packaging company, and the Foundation Board for St. Joseph's Hospital in Paterson, New Jersey.

Having served in a variety of increasingly senior positions, including President and Chief Executive Officer at the Company, Executive Vice President-Administration and Chief Operating Officer, Mr. Klosk has a unique perspective on the day-to-day operations and strategic development of Cambrex. In these positions, Mr. Klosk has been responsible for both the operations of the Company and the overall human resources decisions giving him insight into the talent management process as well as the business and operational functions of the organization.

William B. Korb (age 70). Director since 1999. Member of the Audit and Chairman of the Regulatory Affairs Committees of the Board. Mr. Korb was Director, President and Chief Executive Officer since 1987 of Marconi Commerce Systems, Inc., formerly Gilbarco Inc., prior to his retirement on March 1, 2001. Prior to joining Gilbarco, the world's leading gasoline pump and dispenser manufacturing company, he was an Operating Vice President of Reliance Electric Company, a position he held from 1979 to 1987. Mr. Korb served on the Board of Premier Farnell plc from February 2003 to June 2010.

Mr. Korb has extensive business experience including seven and half years as a Director of Premier Farnell plc, over a year as Director, President and Chief Executive Officer of Marconi Commerce Systems, Inc., fourteen years as Director, President and Chief Executive Officer of Gilbarco and twenty-five years in management positions with increasing responsibility at Reliance Electric Company. This experience provides him with a strong background in dealing with financial and operational issues at large corporations.

John R. Miller (age 73). Director since 1998. Non-Executive Chairman of the Board and Member of the Compensation and Governance Committees. Mr. Miller also serves as Non-Executive Chairman of the Board of Graphic Packaging Holding Company, a global paperboard and packaging company. Mr. Miller was a Director of Eaton Corporation, a global diversified industrial manufacturer, and BlackLight Power, Inc., a research company devoted to developing a new energy source through hydrogen chemistry. In addition, he served as Non-Executive Chairman of SIRVA, Inc., a provider of moving and relocation services, from 2006 to 2008 and as Chairman, President and CEO of Petroleum Partners, Inc., a provider of outsourcing services to the petroleum industry from 1999 until 2003. He is also a past Director and Chairman of the Federal Reserve Bank of Cleveland and he served with The Standard Oil Company as a Director, President and Chief Operating Officer from 1980 until 1986.

With his many years of experience serving on the Boards of Directors of a number of public and private companies combined with his experience on the Board of the Federal Reserve Bank of Cleveland and as a senior officer at The Standard Oil Company, Mr. Miller is a seasoned executive with extensive leadership and Board-level background. In addition, Mr. Miller serves as the Non-Executive Chairman of Graphic Packaging Holding Company and has served as the Non-Executive Chairman of SIRVA, Inc. experience that positions him well to act as our Non-Executive Chairman.

Peter Tombros (age 68). Director since 2002. Chairman of the Audit Committee and Member of the Governance Committee of the Board. Mr. Tombros is Professor, Distinguished Executive in Residence, Eberly College of Science BS/MBA Program, Pennsylvania State University. He is former Chairman of the Board and Chief Executive Officer of VivoQuest, a private biopharmaceutical company from 2001 until 2005. He served as President and Chief Executive Officer from 1994 to 2001 of Enzon Pharmaceuticals. Before joining Enzon Pharmaceuticals, Mr. Tombros spent 25 years with Pfizer, Inc. as Vice President of Marketing, Vice President Corporate Strategic Planning, Senior Vice President and General Manager and as Executive Vice President of Pfizer Pharmaceuticals, Inc. Mr. Tombros is Director and Non-Executive Chairman of the Board of Directors of NPS Pharmaceuticals.

Mr. Tombros has broad operating and board experience in the pharmaceutical industry including big pharma, biotechnology, specialty pharma, generic pharma and clinical research organizations. Mr. Tombros has served on eight different public company boards. He has been both a member and chair of every type of board committee including audit, compensation, governance and special committees among others. He has also served as Non-Executive Chairman of three of those public company boards. This unique combination of executive operating experience, public board experience, and academic perspective make him a tremendous asset in assessing financial and strategic issues facing the company and providing valued advice to the Company, the Board and its committees.

Company Policies and Procedures related to Review, Approval and Ratification of Transactions with Related Persons

Pursuant to the Company’s Corporate Governance Guidelines, the Board expects Cambrex directors, officers and employees to act ethically at all times and to adhere to the Company’s Code of Business Conduct and Ethics, including the Company’s policies on Business Conduct and Ethics and Conflicts of Interest. A “conflict of interest” occurs when an individual’s personal interests interfere in any way (or even appear to interfere) with the interests of the Company. A conflict situation can arise when a director takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when a director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.

A potential conflict of interest with respect to a proposed transaction is required to be reported to the Company’s General Counsel, Chief Executive Officer and the Board’s Governance Committee. The Governance Committee will evaluate the circumstances surrounding the potential conflict of interest and recommend action to the full Board, which will consider any such recommendation. The Board is responsible for the ultimate determination as to whether the transaction giving rise to the potential conflict of interest can proceed.

Section 16(a) Beneficial Ownership Reporting Compliance

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

Based solely on a review of the copies of such forms received by it, and on written representation from certain of the Company's directors and executive officers that no other reports were required, the Company believes that all Section 16(a) filing requirements applicable to its directors, executive officers and ten percent stockholders were complied with during the 2010 fiscal year with the exception of one Section 16(a) filing for Steven M. Klosk, Gregory P. Sargen and Paolo Russolo. All required Section 16(a) filings for Messrs. Klosk, Sargen and Russolo have now been filed.

CORPORATE GOVERNANCE

The Board is responsible for directing the management of the business and affairs of the Company. The Board holds regular meetings five times each year and holds additional special meetings as necessary. During 2010 the Board held five meetings. Pursuant to Cambrex's Corporate Governance Guidelines, directors are expected to attend board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. The Board recognizes that occasional meetings may need to be scheduled on short notice when the participation of a director is not possible and that conflicts may arise that may prevent a director from attending a regularly scheduled meeting. The Board expects, however, that each director will make every reasonable effort to keep absences to a minimum. Although participation by telephone conference or other communications equipment is allowed, personal attendance is encouraged. The majority of our incumbent directors attended 100% of the aggregate of the total number of Board meetings and committee meetings in 2010 with all of the directors attending in excess of 75% of our 2010 Board and Committee meetings. All nine directors attended the Company's annual meeting of stockholders in April of 2010.

Our Board has affirmatively determined, after considering all of the relevant facts and circumstances, that all of the directors, other than Steven M. Klosk, are independent from our management under the standards set forth in the Company's Independence Standards for Directors, which was adopted by the Board in January 2004 and is available on the Company's website (www.cambrex.com). This means that none of the independent directors have any direct or indirect material relationship with the Company, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company. As a result, the Company has a majority of independent directors on our Board as required by the listing standards of the New York Stock Exchange. The Board has also adopted the Code of Business Conduct and Ethics, which is applicable to all directors, officers and employees of the Company, including the Chief Executive Officer, the Chief Financial Officer and the principal accounting officer. This policy can also be found on the Company's website (www.cambrex.com).

Non-management directors have regularly scheduled executive sessions in which they meet without the presence of members of management. These executive sessions occur before or after each regularly scheduled meeting of our Board and may also occur in conjunction with special meetings. John R. Miller leads these executive sessions as Non-Executive Chairman of the Board.

Board Leadership Structure

From formation of the Company in 1983 until 2008, the positions of Chairman of the Board and Chief Executive Officer were held by the same person. In 2008, the Board reassessed its structure upon a change in the Chief Executive Officer of the Company. Consequently, on May 14, 2008, the Board resolved to separate the role of Chairman and Chief Executive Officer in order to enhance independent Board leadership and overall corporate governance at the Company. Since July 1, 2008, John R. Miller has held the title of Non-Executive Chairman of the Board.

Risk Oversight

The role of the Board in managing risk at the Company is to have ultimate oversight for the risk management process. Management has day-to-day responsibility for the identification and control of risk facing the Company including timely identifying, monitoring, mitigating and managing those risks that could have a material impact on the Company. Further, management has the responsibility to report these risks as they arise to the Board and its committees and the Company's auditors. The Board has delegated certain risk assessment responsibilities to the Audit Committee, the Compensation Committee, the Governance Committee and the Regulatory Affairs Committee. In particular, the Audit Committee focuses on financial risk, including internal controls covering the safeguarding of assets and the accuracy and completeness of financial reporting. The Compensation Committee sets compensation programs for management that take into consideration alignment of management compensation with building shareholder value while avoiding compensation policies that reward excessive risk taking. On October 27, 2010, the Audit Committee appointed F. Michael Zachara, the Company's Vice President, General Counsel and Secretary as Chief Compliance Officer. In that capacity Mr. Zachara is responsible for implementing the Company's compliance and ethics initiatives including providing the Audit Committee with quarterly and annual reviews of the effectiveness of the compliance and ethics program. The Governance Committee oversees the annual Board self-evaluation and director nomination process in order to ensure a diverse and well balanced Board and provides input to the Board related to the make-up of the Company's senior management team. Finally, the Regulatory Affairs Committee manages risk related to regulatory compliance and provides oversight with regard to the Company's compliance with regulatory requirements including Food and Drug and Drug Enforcement Agency requirements, environmental, safety and health requirements at all of its manufacturing facilities as well as regulatory public policy issues facing the Company. These Committees meet regularly and report their findings to the Board throughout the year. The Company also maintains insurance policies that would reimburse the Company for a wide range of potential losses that the Company could incur in due course. The Company regularly reviews the levels, terms and conditions of this coverage to ensure they are prudent given the nature and size of the Company operations. Management periodically reports to the Audit and Regulatory Affairs Committees regarding the review of the Company's insurance coverage.

Shareholder Communications with our Board

The Company is committed to providing stockholders and other interested persons with an open line of communication for bringing issues of concern to the Company's non-management directors. In January 2004, the Board approved the following process by which such communications may be made and for handling any such communications received by the Company:

Any stockholder or interested person may communicate with the Company's non-management directors as a group by sending a communication to the Board, c/o Corporate Secretary, Cambrex Corporation, One Meadowlands Plaza, 15th Floor, East Rutherford, New Jersey 07073. All communications will be reviewed by the Company's Corporate Secretary who will send such communications to the non-management directors unless the Corporate Secretary determines that the communication does not relate to the business or affairs of the Company or the function of the Board or its Committees, or relates to insignificant matters that do not warrant the non-management directors' attention or is not otherwise appropriate for delivery to the non-management directors.

The non-management directors who receive such communication will have discretion to determine the handling of such communication, and if appropriate, respond to the person sending the communication, and disclosure, which shall be consistent with the Company's policies and procedures and applicable law regarding the disclosure of information.

The Board has established four standing committees: the Regulatory Affairs Committee, the Governance Committee, the Audit Committee and the Compensation Committee. Each committee has a charter that has been adopted by such committee and approved by the Board. Printable versions of the charters of such Committees as well as the Corporate Governance Guidelines and Code of Business Conduct and Ethics are available on our website (www.cambrex.com), under the "Governance" link of the "Investors" section. The Company will also provide any of the foregoing information in print without charge upon written request to the Corporate Secretary, Cambrex Corporation, One Meadowlands Plaza, 15th Floor, East Rutherford, New Jersey 07073.

REGULATORY AFFAIRS COMMITTEE
William B. Korb, Chairperson
Rosina B. Dixon, M.D.
Kathryn Rudie Harrigan

Regulatory Affairs Committee

The Regulatory Affairs Committee, comprised of three independent directors, oversees the Company's compliance with various Food and Drug and Drug Enforcement Agency regulatory requirements and environmental, health and safety affairs. Each year the Regulatory Affairs Committee develops a calendar-year annual schedule for the coming year. The Chair reports the Regulatory Affairs Committee's actions and recommendations to the full Board following each Regulatory Affairs Committee meeting. The Regulatory Affairs Committee held four meetings during 2010.

GOVERNANCE COMMITTEE
Leon J. Hendrix, Jr., Chairperson
David R. Bethune
John R. Miller
Peter G. Tombros

Governance Committee

The Governance Committee, comprised of four independent directors as defined by the rules and regulations of the Securities and Exchange Commission ("SEC"), the listing standards of the New York Stock Exchange and the Company's Independence Standards for Directors, is responsible for, among other things, (i) reviewing the composition of the Board to assure that the proper skills and experience are represented on the Board, (ii) identifying candidates qualified to become Board members, and recommending to the Board the nominees to stand for election as directors to the Board at Annual Stockholder Meetings and candidates for newly created directorships and vacancies on the Board, (iii) overseeing the annual evaluation of the Board and management and (iv) developing and reviewing corporate governance principles and recommending changes as necessary. The Charter of the Governance Committee has been adopted by the Committee and approved by the Board. Each year the Governance Committee develops a calendar-year annual schedule for the coming year. The Chair reports the Governance Committee's actions and recommendations to the full Board following each Governance Committee meeting. The Governance Committee held three meetings in 2010.

Consideration of Director Nominees

Director Qualifications

The Company's Corporate Governance Guidelines set forth Board membership criteria. As described above, under these criteria, the Committee seeks to identify a diverse group of candidates for the Board who possess the highest personal and professional ethics, integrity and values and are committed to representing the long-term interests of the stockholders. The Committee conducts an annual review of the Corporate Governance Guidelines and a self-assessment of the Board. As part of such review, if necessary, the Committee has the discretion to recommend to the Board a modification to the Board membership criteria and make up.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serve on the Board for an extended period of time. Directors should not serve on more than four other boards of public companies in addition to the Cambrex Board. Current positions in excess of these limits may be maintained unless the Board determines that doing so would impair the director's service on the Cambrex

Board.

Identifying and Evaluating Nominees for Directors

The Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Governance Committee regularly assesses the appropriate size of the Board, and whether any vacancies on the Board are expected due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, and the Governance Committee concludes that the vacancy should be filled, it will consider various candidates for the vacancy. Candidates may come to the attention of the Governance Committee through current Board members, professional search firms, stockholders or other persons. These candidates are evaluated at regular or special meetings of the Governance Committee, and may be considered at any point during the year. The Governance Committee also considers properly submitted stockholder nominations for candidates for the Board. In addition to the standards and qualifications set out in the Company's Corporate Governance Guidelines, the Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, the need for Audit Committee or other expertise and the evaluations of other prospective nominees. There are no differences in the manner in which the Governance Committee evaluates nominees for director based on whether or not the nominee is recommended by a stockholder.

Stockholder Nominees

The Governance Committee will consider nominees recommended by stockholders. Such recommendations for the 2012 Annual Meeting should be sent to the Corporate Secretary of the Company not later than January 21, 2012, and should include such information as specified in the Company's By-Laws. Nominees recommended by stockholders receive the same consideration as any other proposed nominees.

AUDIT COMMITTEE
Peter G. Tombros, Chairperson
David R. Bethune
Kathryn R. Harrigan
William B. Korb
Ilan Kaufthal

Audit Committee

The Audit Committee consists of five independent directors. The Board has determined that each member of the Audit Committee (i) is independent within the meaning of the rules and regulations of the SEC, the NYSE listing standards and the Company's Independence Standards for Directors; and (ii) satisfies the financial literacy requirements of the NYSE listing standards. Further, the Board has determined that at least one member of the Audit Committee satisfies the financial expertise requirements of the NYSE listing standards. The Board has also determined that Mr. Peter Tombros, Audit Committee Chairperson, is an Audit Committee Financial Expert, as that term is defined by current SEC rules.

The role of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee (i) the integrity of the Company's financial reporting process; (ii) the Company's systems of internal accounting and financial controls; (iii) the annual independent audit of the Company's financial statements; (iv) the independent registered public accountant's qualifications and independence; and (v) the Company's compliance with legal and regulatory requirements. The Audit Committee's role is one of oversight and it recognizes that the Company's Management is responsible for preparing the Company's financial statements and that the Company's independent registered public accountants are responsible for auditing those financial statements.

Each year the Audit Committee develops a calendar-year annual schedule for the coming year. The Chair reports the Audit Committee's actions and recommendations to the full Board following each Audit Committee meeting. The Audit Committee met four times in 2010. The Audit Committee met individually with Management, with BDO, the Company's independent registered public accountants, and with the Company's outsourced internal auditors, as appropriate.

The Audit Committee reviewed and had discussions with Company Management and BDO regarding the quarterly and annual financial statements, including a discussion of accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements.

The Audit Committee also reviewed and had discussions with BDO regarding the matters required to be discussed by Statement of Auditing Standards No. 61. Further, the Audit Committee received the written disclosures and the letter from BDO required by Public Company Accounting Oversight Board Rule 3526 (Independence Discussions with Audit Committees) and has discussed such disclosures and letter with representatives of BDO regarding its independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

COMPENSATION COMMITTEE
Rosina B. Dixon, M.D., Chairperson
Leon J. Hendrix, Jr.
Ilan Kaufthal
John R. Miller

Compensation Committee

The Compensation Committee, comprised of four independent directors, conducts reviews of the Company's general and executive compensation policies and strategies and oversees and evaluates the Company's overall compensation structure and programs. The Board has determined that each member of the Compensation Committee is (i) independent within the meaning of the rules and regulations of the SEC, the New York Stock Exchange ("NYSE") listing standards and the Company's Independence Standards for Directors; and (ii) is a "non-employee director" for purposes of Rule 16b-3 of the Securities Exchange Act of 1934 and satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended ("IRC" or "Internal Revenue Code"). Each year the Compensation Committee develops a calendar-year annual schedule for the coming year. The Chair reports the Compensation Committee's actions and recommendations to the full Board following each Compensation Committee meeting. The Compensation Committee held six meetings during 2010.

The Compensation Committee's role is to work with executive management in developing a compensation philosophy. The Compensation Committee determines compensation for the President and Chief Executive Officer and reviews and approves compensation and bonus programs for all senior executives. Compensation recommendations for senior executives other than the President and Chief Executive Officer are initiated by the President and Chief Executive Officer for discussion and decision by the Committee. The Compensation Committee also oversees the Company's general employee benefit programs, including the Company's employee equity plans. The Compensation Committee also annually conducts a self-evaluation of its own performance for the prior year in order to encourage continuous improvement. For its self-evaluation the Compensation Committee referred to materials provided by the Governance Committee. The Compensation Committee conducts these reviews and the self-evaluation annually.

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee during 2010 were Rosina B. Dixon, David R. Bethune, Leon J. Hendrix, Jr., and John R. Miller, each of whom is a non-employee independent director. In April 2010, Mr. Bethune joined the Audit Committee and was replaced on the Compensation Committee by Ilan Kaufthal, who is also a non-employee independent director. No member of the Compensation Committee had any direct or indirect material interest in a transaction of Cambrex or a business relationship with Cambrex, in each case that would require disclosure under Item 407 of Regulation S-K or any other rules or regulations of the SEC.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the following Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

This Report is provided by the following independent and outside directors who comprise the Compensation Committee.

Rosina B. Dixon, M.D., Chairperson
Leon J. Hendrix, Jr.
Ilan Kaufthal
John R. Miller

COMPENSATION DISCUSSION AND ANALYSIS

The following is a discussion of our executive compensation program and compensation decisions made for the fiscal year ended 2010. This discussion relates to the executive officers named in the Summary Compensation Table on page 19. We refer to these officers as the “Named Executive Officers.”

The following discussion includes statements regarding performance targets with respect to our executive compensation program. These targets and goals are disclosed in the limited context of Cambrex’s compensation programs and should not be interpreted to be statements of management’s expectations or estimates of results or other guidance. Cambrex specifically cautions investors not to apply these statements to other contexts.

Objectives of our Executive Compensation Program

The objectives of our executive compensation program are as follows:

- Competitive Compensation Package. In order to attract, motivate and retain high-quality executives with the requisite skills and abilities to enable the Company to achieve superior results, we seek to provide a total compensation package that is competitive for the markets in which Cambrex participates.

- Reward performance. We place a strong emphasis on accountability, and therefore, provide a compensation package that rewards executives for the Company’s achievement of its financial goals, as well as the executives’ contributions to the achievement of those goals.

- Align the interests of our executives with those of our shareholders. A significant portion of our compensation program is in the form of long-term equity-based awards, which serve to align the interests of our executives with those of our shareholders by rewarding executives for increasing shareholder value.

Compensation Process

The Compensation Committee determines the compensation of our President and Chief Executive Officer, as well as the compensation of our other Named Executive Officers. Our President and Chief Executive Officer provides recommendations to the Compensation Committee on the compensation of the Named Executive Officers (other than for himself), and consults with the Compensation Committee regarding such recommendations. Also, particularly in relation to the determination of the key elements of our compensation program, our Chief Financial Officer and our human resources department assist the Chief Executive Officer in making recommendations to the Compensation Committee. Further, the human resources department assembles up-to-date internal compensation information for the Compensation Committee’s consideration. Also, as discussed in more detail below, the Compensation Committee’s independent compensation consultant periodically provides the Compensation Committee with market compensation data.

In determining or otherwise assessing recommendations for compensation, the Compensation Committee reviews the total compensation package, including salaries, target annual and long-term incentives, retirement benefits, severance arrangements and change of control arrangements, to ensure their appropriateness in light of the Company’s strategic goals, the executives’ contributions to the Company, benchmarking data, and economic and market conditions. In these regards, the Compensation Committee may increase or decrease awards and may alter the balance between the cash and equity portions of certain awards.

Compensation Consultants and Peer Group Comparison Data

For 2010, the Compensation Committee retained James F. Reda & Associates, LLC, an independent compensation consultant (the “Consultant”), to aid in compensation decisions regarding senior management, more particularly, to assist in the compiling and reviewing of benchmark data to ensure that our executive compensation program is competitive and consistent with market practice. The Consultant did not provide any other services to Cambrex during fiscal year 2010, and its services to the Compensation Committee have not raised any conflicts of interests between the Compensation Committee, the Company and management.

With input from the compensation consultant (as well as the President and Chief Executive Officer and Chief Financial Officer), the Compensation Committee determines the appropriate benchmarking targets each year. For 2010, the Compensation Committee concluded that it was appropriate to target total direct compensation (i.e., salary, annual incentives and long-term equity-based compensation) for the Named Executive Officers at the median level of compensation of similarly situated executives at a specified peer group of companies. The peer group, which did not change for 2010, consisted of the following 15 publicly traded life science companies that are similar in size, as determined by revenues, to Cambrex:

American Vanguard Corp.	Martek Biosciences Corp
AMRI	Nutraceutical Intl Corp.
Balchem Corp.	Par Pharmaceutical Companies, Inc.
Chattem Chemicals, Inc.	Prestige Brands Holdings
Dionex Corp.	QLT Inc.
Gen-Probe Inc.	Reliv International Inc.
Illumina Inc.	Techne Corp.
	ViroPharma Inc.

Elements of Compensation

The following summarizes the various elements of the total compensation package of our executives, including the Named Executive Officers:

Base Salary

As a necessary tool to attract and retain highly qualified executives, the Compensation Committee reviews base salaries of our executive officers annually to ensure they are competitive and fairly compensate the executive officers for their roles with the Company. The Compensation Committee generally targets a base salary level for each executive officer at or near the median base salary of similarly situated executives of our peer group of companies, but also considers, on a subjective basis, the executive’s effectiveness in his role, the overall nature, level and complexity of his responsibilities, and his tenure in the role. The Compensation Committee also considers the recommendation of the Chief Executive Officer (other than for his own base salary).

No Named Executive Officers received base salary increases during 2010 due to general macro-economic conditions and to be consistent with the very limited wage increases granted throughout the Company.

Performance-Based Compensation

Annual performance-based compensation and long-term equity incentive awards comprise a significant portion of the compensation we pay to our executives. These compensation components are essential to our pay-for-performance philosophy, which seeks to vary compensation depending on (i) the level of achievement of the Company’s strategic and financial goals (as well as executive contributions towards the achievement of those goals), and (ii) the creation of shareholder value over the long-term.

Annual Incentive Awards

Each year the Committee, in consultation with the President and Chief Executive Officer and Chief Financial Officer, sets goals and objectives for the Company’s executives. At year-end the attainment of results, measured against the executives’ goals and objectives, is reviewed by the Compensation Committee subsequent to review and recommendation by the President and Chief Executive Officer.

The following table reflects the minimum, target and maximum levels for the various performance metrics used in calculating 2010 incentive awards for Messrs. Klosk, Sargen, Russolo and Magnini:

($ millions)

Performance Metric	Minimum	Target	Maximum	Weight
Revenue	$ 227.1	$ 231.8	$ 246.0	20 %
EBITDA	$ 41.0	$ 44.0	$ 50.0	50 %
Net Debt	$ 68.2	$ 63.2	$ 57.0	30 %

Revenue growth targets exclude the impact of foreign exchange. The Revenue metrics in the above table reflect targets compared to prior year performance as adjusted to exclude the impact of foreign exchange. EBITDA is defined as operating profit from continuing operations plus depreciation and amortization and excludes restructuring and the impact of acquired or divested companies during the year and transaction costs. Net Debt is defined as debt less cash and cash equivalents and reflects the average of the net debt balance at the end of each calendar quarter within 2010.

The amount of the executives annual incentive compensation is based on a percentage of the executives' base salary prorated for the weight accorded each metric. For performance below the minimum threshold, no incentive award would be paid. For Messrs. Klosk, Sargen, Russolo and Magnini, at the minimum threshold, before adjustment, 50% of base salary would be paid; at the target level, before adjustment, 60% of base salary would be paid; and if performance met or exceeded the maximum threshold, before adjustment, 200% of base salary would be paid. For performance between thresholds, the potential award percentage for each metric is interpolated. Payout amounts, before adjustment, for Mr. Zachara would be 20%, 40% and 80% of base salary for minimum, target and maximum levels of performance respectively. As mentioned above, the Compensation Committee retains the discretion to adjust the payout under the annual incentive plan based on its subjective assessment of the Company's and/or the individual executive's performance for the year. The Compensation Committee does not establish formal goals or objectives for the executives with regard to to individual performance. For 2010 the Compensation Committee did not make any discretionary adjustments to the annual incentive awards.

For 2010, revenue, EBITDA and net debt performance against goals yielded a pay-out of 52.7% of base salary for the following Named Executive Officers, in an amount as shown: Mr. Klosk - $237,354, Mr. Sargen - $180,218, Mr. Russolo - $181,955 and Mr. Magnini - $150,463. These goals yielded a payout for Mr. Zachara of 29.6% of base salary, in an amount of $60,702.

Long-Term Incentive Awards

Long-term incentive awards are an integral component of our compensation program, promoting executive retention, and creation of long-term shareholder value. The Compensation Committee uses the median of long-term incentive awards granted by the peer group as a reference point when evaluating long-term incentive awards as part of the Named Executive Officers' overall compensation. While the peer group data for the executive's position is the key factor in determining the amount of long-term incentive awards, the Compensation Committee also considers such subjective factors as the executive's effectiveness in his role, the amounts of prior awards, the overall nature, level and complexity of his responsibilities, his tenure in the role, and to the extent that it is a limiting factor, the amount of equity incentives (i.e., stock options, restricted stock or performance share units) available to be granted under shareholder approved plans.

Except as provided below with respect to awards granted in 2010 in connection with the 2009 annual incentive plan, only Messrs. Klosk and Sargen received long-term equity incentive awards in 2010. These awards consisted of stock options and cash-settled performance share units under the terms of the Company's 2009 Long-Term Incentive Plan. During 2010 the Consultant analyzed the total compensation of certain Named Executive Officers and concluded that Messrs. Klosk and Sargen were below the median in total compensation for the peer group and specifically that they were below the median in long-term incentive compensation. Based on this analysis and in order to further promote the creation of long-term shareholder value, the Committee chose to increase the long-term incentive portion of Messrs. Klosk's and Sargen's compensation. Consequently, a significant portion of the increase in total compensation for 2010 for Messrs. Klosk and Sargen reflected within the Summary Compensation Table consists of long-term equity compensation that links executive compensation to an increase in share value.

The Compensation Committee chose to grant (and historically has chosen to grant) stock options to provide executives with an incentive to drive long-term stock appreciation for the benefit of shareholders. The Company considers stock options to be performance based incentives because they provide value to the recipient only if the price of the Company's common stock increases above the option exercise price, which is the fair market value of the stock on the date of the grant. The Compensation Committee chose to grant (and has historically chosen to grant) performance share units as a retention tool and to align the interests of the Named Executive Officers with our shareholders. Typically, our performance shares are based on three year performance measures and are not paid out until the third anniversary of the grant date .

In 2010, Messrs. Klosk and Sargen received grants of 150,000 stock options and 50,000 stock options, respectively, with an exercise price set at $4.38, the mean price between the daily high and low prices for the Common Stock of the Company's publicly traded share price on April 21, 2010, the date of the grant. These awards vest in equal increments over a four-year period (i.e., 25% per year), subject to the executives' continued employment as of the applicable vesting dates, but may sooner vest upon a change in control or termination of employment without cause.

The cash-settled performance share awards provide the executive the right to receive the cash value of a certain number of shares of the Company's Common Stock in the future, which number depends on the level of achievement of specified revenue and EBITDA metrics, as compared to the relative performance of a peer group of companies, at the end of a specified performance period. In the past, the Compensation Committee has granted stock-settled performance units, but determined it was appropriate to grant cash-settled performance share units in 2010 because of share limitations. With respect to 2010 performance share units that Messrs. Klosk and Sargen were granted the opportunity to earn (as described below), the peer group against which Cambrex's performance will be measured consists of those companies contained in GICS Code 352030, Life Sciences Tools and Services, as of April 1, 2010, with 2009 sales between ten percent (10%) and seven hundred and fifty percent (750%) of the Company's 2009 sales. The Compensation Committee determined that this group of companies was appropriate for the performance share awards because it consists of small capitalization U.S. public life sciences companies like Cambrex.

Messrs. Klosk and Sargen received awards of up to 100,000 performance share units and 58,588 performance share units, respectively. For Mr. Klosk, the period for measuring performance for the performance share units is the two and one half year period beginning on April 1, 2010, and ending on September 30, 2012. With respect to revenue growth, Mr. Klosk will earn 12,500 share units if the Company performs at the 25th percentile of the peer companies over the two and one half year period, 25,000 share units if it performs at the median and 50,000 share units if it performs at the 75th percentile. With respect to EBITDA, he will earn 12,500 share units if the Company performs at the 25th percentile of the peer companies, 25,000 share units if it performs at the median and 50,000 share units if it performs at the 75th percentile. If the Company's performance falls below the 25th percentile for revenue growth or EBITDA growth over the two and one half year period, Mr. Klosk will receive zero share units for the respective metric. The maximum award of 100,000 share units would be received in the event that the Company performed at or above the 75th percentile for both metrics over the two and one half year period. The performance share units shall vest the earlier of October 21, 2012, or a change in control or termination of employment with the Company without cause or due to death or disability.

For Mr. Sargen, the period for measuring performance for the performance shares is the three year period beginning April 1, 2010, and ending March 31, 2013. With respect to revenue growth, Mr. Sargen will earn 7,324 share units if the Company performs at the 25th percentile of the peer companies over the three year period, 14,647 share units if it performs at the median and 29,294 share units if it performs at the 75th percentile. With respect to EBITDA, he will earn 7,324 shares if the Company performs at the 25th percentile of the peer companies, 14,647 share units if it performs at the median and 29,294 share units if it performs at the 75th percentile. If the Company's performance falls below the 25th percentile for revenue growth or EBITDA growth over the three year period, Mr. Sargen will receive zero share units for the respective metric. The maximum award of 58,588 share units would be received in the event that the Company performed at or above the 75th percentile for both metrics over the three year period. The performance share units shall vest the earlier of April 21, 2013, or a change in control or termination of employment with the Company without cause or due to death or disability.

Awards in Respect of the 2009 Annual Incentive Plan

In order to further align executive performance with the interests of shareholders and to incentivize executive retention, the Compensation Committee decided to pay 30% of the 2009 annual incentive awards for Messrs. Klosk, Sargen, Russolo and Magnini in the form of restricted stock awards granted in 2010, which vest ratably over a three year period.

Severance and Change of Control Agreements

Cambrex has entered into employment and change of control agreements with certain Named Executive Officers that are discussed in detail below, in the section entitled "Potential Payments Upon Termination or Change of Control." Also detailed in that section are the potential payouts for each of the Named Executive Officers under a variety of potential termination scenarios covered by the agreements. Those potential payouts are part of the total compensation package for each executive reviewed by the Committee each year. Employment agreements for executives are used by the Company to establish key elements of the agreement between the Company and the executive, which differ from the Company's standard plans and programs. The agreements also facilitate the creation of executive restrictive covenants, which would not otherwise be part of the employment relationship.

The Company did not enter into or amend any employment or change in control agreements with the Named Executive Officers in 2010.

Deferred Compensation Plan

The Company has established a Non-qualified Deferred Compensation Plan for Key Executives, including the Named Executive Officers (“Deferred Plan”). Under the Deferred Plan, officers and key employees may elect to defer all or any portion of their pre-tax annual bonus and/or annual base salary (other than the minimum required Social Security contributions plus $10,000). The Deferred Plan is not funded by the Company, but the Company has established a Deferred Compensation Trust Fund to protect the account balances in the case of a change of control of the Company. Mr. Klosk is the only Named Executive Officer who participates in the Deferred Plan, but he did not make any contributions in 2010.

Pension Plan and SERP

The Company maintains a non-contributory pension plan qualified under Section 401(a) of the Internal Revenue Code (“Qualified Plan”), which has been closed to new hires since January 1, 2003, and effective August 31, 2007, provides no future benefit accruals to participants. Additionally, the Company maintains a Supplemental Executive Retirement Plan (“SERP”), which was established in 1994 to provide certain eligible participants benefits based on compensation levels that were above the maximum levels that could be taken into account under the Qualified Plan. The SERP was also closed to new participants on January 1, 2003, and effective August 31, 2007, provides no future benefit accruals to participants.

Mr. Klosk is the only Named Executive Officer who participates in the Qualified Plan and SERP.

Savings Plan

The Savings Plan is a retirement savings plan qualified under Section 401(a) of the Internal Revenue Code, pursuant to which all of Cambrex’s U.S. based employees are able to contribute the lesser of up to 50% of their annual salary or the limit prescribed by the Internal Revenue Service to the Savings Plan on a before tax basis. The Company matches 100% of the first 3% of pay that is contributed to the Savings Plan and 50% of the next 3% of pay contributed. All employee contributions to the Savings Plan are fully vested on contribution; the Company match vests in 20% increments over a five year period of employment. Each of the Named Executive Officers based in the United States participates in the Savings Plan.

Tax Considerations

Tax considerations influence the Compensation Committee’s development of the Company’s compensation and benefit plans; in particular, Section 162(m) of the Internal Revenue Code, which limits to $1 million the amount of non-performance-based compensation that Cambrex may deduct in any calendar year for its Chief Executive Officer and Chief Financial Officer and the three highest paid Named Executive Officers other than the Chief Financial Officer. The Compensation Committee’s policy, in general, is to maximize the tax deductibility of compensation paid to executive officers under Section 162(m). To this end, the Company has submitted certain benefits plans for stockholder approval, and has granted stock options at fair market value, in order to satisfy the performance-based compensation exemption from the limitations of Section 162(m). The Compensation Committee recognizes, however, that in order to effectively support corporate goals, in some instances compensation may be delivered such that amounts may not qualify for deductibility. All compensation decisions for executive officers are made with full consideration of the Section 162(m) implications.

COMPENSATION OF EXECUTIVE OFFICERS

Summary Compensation Table

The following table shows for fiscal years 2010, 2009 and 2008 the compensation awarded, paid to, or earned by the Named Executive Officers.

Name and Principal Position	Year	Salary[1] ($)	Bonus ($)	Stock Awards[2] ($)	Option Awards[3] ($)	Non-Equity Incentive Plan Compensation[4] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[5] ($)	All Other Compensation[6] ($)	Total Compensation[7]
Steven M. Klosk President & Chief Executive Officer	2010	$ 450,000	$ 0	$ 384,513	$ 367,335	$ 237,354	$ 59,835	$ 11,025	$ 1,510,062
	2009	$ 450,000	$ 0	$ 0	$ 0	$ 386,190	$ 58,616	$ 11,025	$ 905,831
	2008	$ 431,634	$ 0	$ 438,528	$ 283,500	$ 0	$ 129,718	$ 5,818,681	$ 7,102,061
Gregory P. Sargen Vice President and Chief Financial Officer	2010	$ 341,676	$ 0	$ 253,977	$ 122,445	$ 180,218	$ 0	$ 11,025	$ 909,341
	2009	$ 341,676	$ 0	$ 0	$ 0	$ 293,226	$ 0	$ 25,115	$ 660,017
	2008	$ 306,946	$ 0	$ 147,976	$ 185,000	$ 0	$ 0	$ 20,080	$ 660,002
F. Michael Zachara Vice President, General Counsel & Corporate Secretary	2010	$ 205,000	$ 0	$ 0	$ 0	$ 60,702	$ 0	$ 9,225	$ 274,927
	2009	$ 203,167	$ 0	$ 0	$ 84,750	$ 82,000	$ 0	$ 9,143	$ 379,060
Paolo Russolo[8] President, Cambrex Profarmaco	2010	$ 344,968	$ 0	$ 108,523	$ 0	$ 181,955	$ 0	$ 198,222	$ 833,668
	2009	$ 362,284	$ 0	$ 0	$ 118,650	$ 253,599	$ 0	$ 265,402	$ 999,935
	2008	$ 382,538	$ 0	$ 188,789	$ 81,500	$ 0	$ 0	$ 177,665	$ 830,492
Aldo Magnini[8]	2010	$ 285,262	$ 0	$ 89,742	$ 0	$ 150,463	$ 0	$ 114,805	$ 640,272
	2009	$ 299,581	$ 0	$ 0	$ 84,750	$ 209,707	$ 0	$ 139,948	$ 733,986

Managing Director, Cambrex Profarmaco									
	2008	$ 316,330	$ 0	$ 145,222	$ 40,750	$ 0	$ 0	$ 27,980	$ 530,282

1 Salary. Cambrex's fiscal year ends December 31. No base salary increases were awarded in fiscal year 2010. Mr. Zachara's salary reflects full-year impact of increase awarded in 2009. Messrs. Russolo's and Magnini's salaries are paid in Euros.

2 Stock Awards. Amounts reflect the aggregate grant date fair value of the awards computed in accordance with FASB Topic 718. For 2010, amounts for Messrs. Klosk, Sargen, Russolo and Magnini include the restricted stock units granted in 2010 as part of the 2009 annual incentive award. The value of the 2009 restricted stock awards granted in 2010 for Messrs. Klosk, Sargen, Russolo and Magnini were $165,513, $125,669, $108,523, and $89,742 respectively. The 2010 amounts for Messrs. Klosk and Sargen also include the grant date fair value of cash-settled performance share awards which Messrs. Klosk and Sargen have the opportunity to earn. The value of Mr. Klosk's performance share award reflected in this table is $219,000, which is the grant date value of 50,000 shares and is based on the Company achieving median performance for Sales and EBITDA growth as measured against a peer group. The same performance share award figures for Mr. Sargen are $128,308 and 29,294 shares respectively. See the Long-Term Incentive Awards section within the Compensation Discussion and Analysis section of this document for a further explanation of the performance share awards.

3 Option Awards. Amounts reflect the aggregate grant date fair value of the awards computed in accordance with FASB Topic 718. The award values are calculated based on the full number of options granted at the grant date Black Scholes fair value per share that the Company uses to calculate compensation expense. The assumptions for the valuation are set forth in Note 16 of the Company's financial statements included in the Form 10-K filed with the SEC on February 11, 2011.

4 Non-Equity Incentive Plan Compensation. The 2010 amounts reflect the entire incentive plan awards paid in February 2011 for fiscal year 2010 performance.

5 Change in Pension Value and Non-Qualified Deferred Compensation Earnings. This column shows the aggregate change in the actuarial present value of Mr. Klosk's accumulated benefits under all of our defined benefit pension plans (i.e., the Qualified Plan and the SERP). Mr. Klosk did not receive any above-market earnings on compensation deferred under the Key Employee Nonqualified Deferred Compensation Plan. For more information regarding accrued benefits under our pension plans, see the "Pension Benefits" table on page 22.

6 All Other Compensation . For 2010, the amounts shown include the following benefits provided to the named executive officers: For Mr. Klosk, includes savings plan match of $11,025. For Mr. Sargen, includes savings plan match of $11,025. For Mr. Zachara, includes savings plan match of $9,225. For Mr. Russolo, includes insurance premiums of €6,500 ($8,624), automobile allowance of €15,547 ($20,628), phone allowance of €3,968 ($5,265), dividends on restricted stock units of $91,756, and €54,228 ($71,950) paid pursuant to an employment arrangement assumed by the Company as part of its acquisition of Cambrex Profarmaco Milano S.r.l. For Mr. Magnini, includes insurance premiums of €6,575 ($8,724), automobile allowance of €15,011 ($19,917), phone allowance of €1,866 ($2,476), and dividends on restricted stock units of $83,689. A substantial portion of Mr. Klosk's other compensation in 2008 was the result of change in control benefits triggered by a large 2007 divestiture.

7 Total Compensation. The $604,231 increase in 2010 compensation for Mr. Klosk compared to 2009 primarily consists of $219,000 of performance share awards and $165,000 in restricted stock issued as part of the 2009 incentive award (both reflected within Stock Awards) and $367,335 issued in the form of option awards. Consequently, $586,335 of the 2010 increase compared to 2009 consists of long-term equity based compensation.

8 Messrs. Magnini's and Russolo's base salaries were €215,000 and €260,000 respectively. Messrs. Magnini's and Russolo's non-equity incentive awards were €113,403 and €137,138 respectively. For purposes of computing Base Salary we used an average exchange rate (for calendar year 2010) of 1.3268 dollars per euro.

Grant of Plan-Based Awards Table

The following table contains information concerning each grant of an award made to each of the Named Executive Officers for 2010 under any plan.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards1			Estimated Future Payouts Under Equity Incentive Plan Awards2							
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All other Stock Awards: Number of Shares of Stock or Units (#)	All other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards3 ($/Sh)	Grant Date Closing Price of Shares Underlying Awards4 ($/Sh)	Grant Date Fair Value of Stock and Option Awards5 ($)
Steven M. Klosk		$ 225,000	$ 270,000	$ 900,000								