WEST PHARMACEUTICAL SERVICES INC
Form DEF 14A
March 22, 2019

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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 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

o Soliciting Material under §240.14a-12

West Pharmaceutical Services, 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):

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CEO Letter

Dear Shareholders,

I am pleased to report that West continues to build on our important role in the healthcare industry. Our market-led strategy to offer integrated containment and delivery solutions for injectable therapies, tailored to the unique needs of our customers, while offering the best technical and scientific support that these products and services require, has once again translated into a year of sustained growth and profitability, as well as healthy shareholder returns.

West manufactures more than 41 billion components each year, across 27 manufacturing sites. Two years ago, we began a process to globalize our operations to ensure we maximize our returns on invested capital and take full advantage of this global footprint to drive improved profitability and better service to customers. Through lean manufacturing, a streamlined supply chain and improved vendor management, we are already seeing significant improvements from these efforts, with more to come. This is all-the-more impressive when you consider our team has achieved these results while maintaining best-in-class quality levels and improving our recordable injury rate across the Company boasting the lowest injury levels in West's history.

We are grateful to our Board of Directors for their support and guidance. Under the leadership of our chairman, Patrick Zenner, they have partnered with our Management team as we continue to refine our strategy, and they have challenged us along the way to ensure we are addressing internal and external risks while managing towards our long-term success. We are fortunate to have a Board rich with diverse experience across a number of industries, with deep insight into the delivery of healthcare.

In 2018, we were proud to be recognized for our commitment to the communities in which we live and work. As will be further detailed in our 2018 Corporate Responsibility Report, to be published later this year, we have made significant improvements in our environmental sustainability efforts, which were recognized by the CPHI with their 2018 Excellence in Pharma: Corporate Social Responsibility Award. Our efforts to support the community through our philanthropic activities also received recognition with the CEO Connection's Mid-Market Social Impact Award.

The team at West is committed to achieving our vision to serve as the world leader in the integrated containment and delivery of injectable medicines. We have worked to ensure the performance of our team is reflected in their compensation and awards framework and is aligned with the results we have delivered. The detailed pay-for-performance plans of our executives, which have received more than 96 percent support from you, our shareholders, are detailed in this Proxy Statement for your review.

With the support of our Board, and the continued investment of our shareholders, we feel we are well-positioned to fulfill our vision, and our everyday commitment to the customers and patients we work to serve.

Thank you for your continued support of West.

Regards,

Eric M. Green
President and CEO

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West Pharmaceutical Services, Inc.
Notice of 2019 Annual Meeting

530 Herman O. West Drive
Exton, Pennsylvania 19341

March 22, 2019

The 2019 Annual Meeting of Shareholders of West Pharmaceutical Services, Inc. will be held at our corporate headquarters on:

Tuesday, May 7, 2019
9:30 AM, local time
530 Herman O. West Drive
Exton, Pennsylvania 19341

The items of business are:

1. Election of nominees named in the Proxy Statement as directors, each for a term of one year or until their successor is appointed or elected.
2. Consideration of an advisory vote to approve Named Executive Officer compensation.
3. Ratification of the appointment of PricewaterhouseCoopers LLP ("PwC") as our independent registered public accounting firm for 2019.
4. Transaction of other business as may properly come before the meeting and any adjournments or postponements thereof.

Shareholders of record of West common stock at the close of business on March 12, 2019 are entitled to notice of, and to vote at, the meeting and any postponements or adjournments thereof.

George L. Miller
Sr. Vice President, General Counsel
and Corporate Secretary

Important Notice Regarding the Internet Availability of Proxy Materials for the Shareholder Meeting on May 7, 2019

This Notice of Annual Meeting and Proxy Statement ("Notice") and the 2018 Annual Report on Form 10-K ("2018 Annual Report") are available on our website at:

investor.westpharma.com/financial-information/annual-reports-and-proxy

Your Vote is Important

Please vote as promptly as possible electronically via the Internet or by completing, signing, dating and returning the proxy card or voting instruction card.

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Proxy Summary

Below is a summary of important information you will find in this Proxy Statement. This summary does not contain all the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

Summary of Shareholder Voting Matters

Our Board of Directors is soliciting your vote on matters that will be presented at our 2019 Annual Meeting of Shareholders and at any adjournment or postponement thereof. This Proxy Statement contains information to assist you in voting your shares.

The Notice, the accompanying proxy card or voting instruction card and our 2018 Annual Report, including our annual report wrap, are being mailed starting on or about March 22, 2019.

Proposal 1: Election of Directors		Page 9	**FOR**
Mark A. Buthman William F. Feehery Eric M. Green Thomas W. Hofmann Paula A. Johnson	Deborah L. V. Keller Myla P. Lai-Goldman Douglas A. Michels Paolo Pucci Patrick J. Zenner		Each Nominee
Proposal 2: Advisory Vote to Approve Named Executive Officer Compensation		Page 64	**FOR**
Proposal 3: Ratification of the Appointment of PricewaterhouseCoopers LLP as our Independent Registered Public Accounting Firm for 2019		Page 67	**FOR**

2018 Business Highlights

Our market-led strategy focusing on the containment and delivery of injectable medicines and success in globalizing our operations is evident in our 2018 performance and is driving our outlook for 2019 and beyond. The trends in the pharmaceutical and biotech industry also support our long-term growth strategy:

- More prescription medications are being developed as injectable drugs
- Our customer base continues to grow around the world, with faster growth in Asia Pacific and South America
- The bar for quality and reliability continues to be raised by both our customers and global regulators

- Our customers continue to request technical and regulatory services to support the packaging and delivery of their products

- Pharmaceutical companies are looking to couple their drugs with differentiated delivery devices to improve patient adoption and adherence

Each year, we have seen growing interest and demand for our high-value product offerings, delivery device platforms and our contract-manufacturing services. This demand has translated into positive results for the business. In 2018, we reported:

- Full-year 2018 reported net sales of $1.717 billion, which reflects 7.4% growth over the prior year. At constant foreign currency exchange rates, organic sales growth was 5.6%.

- Full-year 2018 reported-diluted Earnings-Per-Share ("EPS") was $2.74, compared to $1.99 last year. Full-year 2018 adjusted-diluted EPS was $2.81, compared to $2.78 in the prior year.

- Full-year 2018 gross profit margin was 31.8%, a 30-basis point decline from the prior year. While the Proprietary Products segment gross profit margin expanded by 80 basis points, Contract-Manufactured Products segment gross profit margin declined by 280 basis points due to unabsorbed overhead from plant consolidation activities, start-up costs associated with the launch of new programs and unfavorable sales mix.

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Full-year 2018 operating cash flow ("OCF") was $288.6 million, representing a 9.6% increase over 2017 OCF of $263.3 million.

Capital expenditures in 2018 were $104.7 million, a 20% reduction compared to 2017 capital expenditures of $130.8 million.

As we look to 2019, we expect to grow sales and expand profit margins in line with our long-term financial construct, with full-year 2019 constant-currency organic sales growth in a range between 6% and 8% and full-year 2019 operating profit margin expansion of approximately 100 basis points. Please refer to our Earnings Release filed on February 14, 2019 on Form 8-K for a full reconciliation of our reported results to the adjusted (non-GAAP) financial measures referred to above.

Long-Term Shareholder Return

If we examine our results over the past five years, West has consistently delivered against its objectives, posting long-term sales growth and steady EPS improvements. The Company has also outperformed both our peers and the market overall in Total Shareholder Return ("TSR") during this same period.

(1) Please refer to Note 3: Revenue in our 2018 Form 10-K, which addresses new accounting guidance on revenue recognition.

(2) Please refer to our Forms 8-K dated February 14, 2019 and January 9, 2019 for a reconciliation of non-GAAP financial matters.

(3)

Source: NASDAQ IR Insight.

Looking to the future, we expect West's organic sales growth and margin expansion to be further supported by strong underlying market drivers. West's reputation as a scientific and technical leader in the industry, combined with the breadth and depth of our product and service portfolio as well as our unsurpassed global footprint, allows us to serve as a global partner to customers across the injectable drug and medical device landscape. Our officers, employees and directors are focused on maintaining and growing the important role we play as a leader in the healthcare industry.

Certain forward-looking statements are included in this Proxy Statement. They use such words as "will," "continue," "estimate," "expect," "looking to the future," and other similar terminology. These statements reflect Management's current expectations regarding future events and operating performance and speak only as of the date of this document. These statements are based on Management's beliefs and assumptions, current expectations, estimates, and forecasts. There are many factors that can influence the Company's future results that are beyond the ability of the company to control or predict. Because of these known or unknown risks or uncertainties, actual results could differ materially from past results and those expressed or implied in any forward-looking statement. For a description of factors that could cause the Company's future results to differ from those expressed in any such forward-looking statements, see Item 1A, entitled "Risk Factors," in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and as revised or supplemented by our quarterly reports on Form 10-Q or Form 8-K. Except as required by law or regulation, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Our Director Nominees

You are being asked to vote on the directors nominated below. John Weiland, who retired as President and Chief Operating Officer of C. R. Bard, Inc. following its acquisition by Becton, Dickinson and Company in 2017, and who has been a director since 2007 has decided to retire from our Board after 12 years of outstanding service. Mr. Weiland's leadership, first as Chairman of the Compensation Committee, and later as Chairman of the Finance Committee, has been instrumental to our success. Because Mr. Weiland is not standing for reelection, our Board will also be reduced from 11 to 10 members as of his retirement. All directors are elected annually by a majority of votes cast, except in the case of a contested election where the number of nominees exceeds the number of open positions, in which case plurality voting is used. The charts below summarize some key characteristics of the members of our Board of Directors. All data is as of March 22, 2019. Detailed information about each director's background and areas of expertise can be found beginning on page 9.

Mark A. Buthman	58	2011	Retired EVP & CFO, Kimberly-Clark	Compensation, Nominating & Corp Governance, Finance
William F. Feehery	48	2012	President, Industrial Biosciences, DowDuPont	Compensation, Audit, Nominating & Corp Governance (Chair)
Eric M. Green	49	2015	President & CEO, West Pharmaceutical Services, Inc.	
Thomas W. Hofmann	67	2007	Retired Sr. VP & CFO, Sunoco, Inc.	Compensation, Audit (Chair)
Paula A. Johnson	59	2005	President, Wellesley College	Innovation & Technology, Nominating & Corp Governance
Deborah L. V. Keller	56	2017	Principal, Black Frame Advisors, LLC & Retired CEO,	Innovation & Technology, Audit, Finance

			Covance Drug Development	
Myla P. Lai-Goldman	61	2014	Executive Chair GeneCentric Therapeutics, Inc.	Innovation & Technology (Chair), Finance
Douglas A. Michels	62	2011	Retired President & CEO, OraSure Technologies, Inc.	Compensation (Chair), Audit
Paolo Pucci	57	2016	CEO, ArQule, Inc.	Innovation & Technology, Finance (Chair)
Patrick J. Zenner	72	2002	Chairman, West; Retired Pres. & CEO, Hoffmann-La Roche Inc.	Nominating & Corp Governance

Financial	Healthcare Industry	International Experience	Global Operations/ Supply Chain	Science & Technology	Marketing	Mergers & Acquisitions	Regulato

2018 Corporate Governance Highlights

Annual director elections with majority voting in uncontested elections

Active shareholder engagement program on corporate governance and compensation matters

Significant risk management oversight by the Board, including an enhanced enterprise risk management process

Board is led by an Independent Non-Employee Chairman

Board Commitment to Corporate Responsibility ("CR"), including Diversity, Safety, Sustainability and Environment

Four new directors appointed within past five years

Effective self-assessment and evaluation procedures that include individual interviews with Board members

Annual evaluation of all directors to ensure the right mix of experience and diversity of opinion and background

Robust executive officer and Board succession planning

Maintain and enforce effective executive and board stock ownership guidelines

Prohibition on pledging or hedging of securities by members of the Board and executive officers

Approved and monitored Management's enterprise strategy

Reviewed Chief Executive Officer's performance against pre-established goals and strategy

Oversaw Management's human resources strategy to create a pipeline of talent to ensure the continuance of first-rate teams

Implementation of enhanced Enterprise Risk Management Program

Reviewed the Company's capital allocation strategy, increasing the annual dividend and continuing our strategic share buyback program

Oversaw significant improvements in safety and quality

Multiple awards and international recognition of our CR, philanthropic and sustainability efforts

Adopted our first global anti-harassment and anti-discrimination policy and conducted global training to re-affirm our emphasis on diversity and inclusion

All directors attended more than 94% of the Board and Committee meetings

2018 Executive Compensation Highlights

Strong linkage between pay and performance and support by shareholders regarding our performance metrics, targets and goals as evidenced by more than 96% shareholder approval annually of our executive compensation

Total direct compensation ("TDC"), which is the sum of an officer's base salary, short-term incentive target and long-term incentive target, targeted at the median level by our Compensation Committee

Annual incentive plan ("AIP") based on EPS, revenue and OCF targets to drive shareholder value in day-to-day decision making

Long-term incentive ("LTI") plan utilizing stock options and performance share units based upon return on invested capital ("ROIC") and consolidated annual growth rate ("CAGR") to ensure long-term profitable growth and alignment with shareholders' interests

Usage of two comparator groups to ensure pay and performance are aligned, and enable us to attract and retain the best talent

Robust share ownership guidelines for all officers and directors

All Change-in-Control ("CIC") agreements for our current officers contain double-trigger provisions requiring termination of the executive following a CIC before payments are made. These payments also may be cutback if they exceed excise tax thresholds under applicable tax law.

Strong incentive compensation recovery (clawback) and anti-hedging and anti-pledging policies

Use of tally sheets, realizable pay analysis, performance metric difficulty analysis and similar tools to ensure our compensation programs remain linked to performance and consistent with Board expectations

Engagement with shareholders during the year regarding executive pay and performance issues

Reaffirmed West's compensation philosophy of pay-for-performance that aligns executives' incentive compensation with our performance and with stakeholder interests on both a short- and long-term basis without promoting excessive risk

Further refined the Company's AIP to simplify compensation, drive stronger alignment with, and better line of sight to, our business objectives

To further align with our employee population, we moved the effective date of officer salary increases from May to March and eliminated incentive share matching in our bonus program for AIP amounts earned after 2019

Strengthened and modernized our employee stock ownership requirements

Conducted market review of our independent Compensation Committee executive compensation consultant, and renewed with Pay Governance for a three-year period ending in 2021

Conducted formal: (1) pay-for-performance review of CEO compensation versus peers, and (2) realizable pay analysis, to assess whether Company performance and CEO realizable pay are aligned over a given period

Our Annual Incentive Plan for corporate executives paid at 93.1% based on performance levels of 97.3% for EPS, 98.6% for Consolidated Revenue and 99.2% for OCF

Our LTI plan Performance Share Units ("PSUs") for the 2016-18 period paid out at 49.39% based on below-threshold performance (6.55%) for CAGR and 98.78% performance for ROIC (12.21%)

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Election of Directors

Director Nominations, Skills and Criteria

Candidates for nomination to our Board are recommended by the Nominating and Corporate Governance Committee ("NCGC") in accordance with the Committee's charter, our Articles of Incorporation, our Bylaws and our Corporate Governance Principles. All persons recommended for nomination to our Board, regardless of the source of the recommendation, are evaluated by this Committee with the Board determining the final slate of nominees.

The Board and the NCGC consider, at a minimum, the following factors in recommending potential new Board members or the continued service of existing members:

A director is nominated based on his or her professional experience. A director's traits, expertise and experience add to the skill-set of the Board as a whole and provide value in areas needed for the Board to operate effectively.

A director must have high standards of integrity and commitment, and exhibit independence of judgment, a willingness to ask hard questions of Management and the ability to work well with others.

A director should be willing and able to devote sufficient time to the affairs of the Company and be free of any disabling conflict.

All the non-employee directors should be "independent" as outlined in our independence determination standards ("Independence Standards").

A director should exhibit confidence and a willingness to express ideas and engage in constructive discussion with other Board members, Management and relevant persons.

A director should actively participate in the decision-making process, be willing to make difficult decisions, and demonstrate diligence and faithfulness in attending Board and Committee meetings.

The Board generally seeks active or former senior executives of public companies, particularly those with international operations, leaders in healthcare or public health fields, with science or technology backgrounds, and individuals with financial expertise.

When reviewing nominees, the NCGC considers whether the candidate possesses the qualifications, experience and skills it considers appropriate in the context of the Board's overall composition and needs. The NCGC also values diversity on the Board in the director nominee identification and nomination process.

To assist it with its evaluation of the director nominees for election at the 2019 Annual Meeting, the NCGC considered the factors listed above and used a skills matrix highlighting the experience of our directors in areas such as industry experience, international experience (including assignments overseas), global operations or supply chain leadership, financial literacy, and independence. In the past two years, we have also added skills such as, marketing (including e-commerce), mergers and acquisitions, regulatory and cyber/digital experience, to our skills matrix.

The NCGC also reviews annually with the Board the size and composition of the Board and its committees to determine the qualifications and areas of expertise needed to further enhance the composition of the Board. In determining whether to add new directors, we review our skills matrix annually to determine the targeted skills that we believe will most significantly enhance the diversity of experience and expertise on our Board. We balance the current skill sets versus the desired optimal mix of skill sets given their relative importance to the Company.

Board members are expected to support Management to drive success in our current strategic plans, which includes:

- Transforming the business to a market-led organization with enhanced commercial effectiveness
- Expanding into emerging markets
- Optimizing operations and supply chain networks
- Leveraging global innovation and technology to accelerate product development
- Accelerating digitization to drive performance
- Building global leadership bench depth, diversity and inclusion

Under the heading "Director Nominee Biographies," we provide an overview of each nominee's principal occupation, business experience and other directorships of publicly-traded companies, together with the qualifications, experience, key attributes and skills the Committee and the Board believe will best serve the interests of the Board, the Company and our shareholders.

Shareholders who wish to recommend or nominate director candidates must provide information about themselves and their candidates and comply with procedures and timelines contained in our Bylaws. These procedures are described under "2020 Shareholder Proposals or Nominations" in this Proxy Statement.

Board Commitment to Diversity and Inclusion

Board diversity and inclusion is critical to the success of West. The Board is committed to ensuring its membership has sufficient diversity of experience, skills and personal characteristics to support the long-term success of the Company. As presently constituted, the Board represents a deliberate mix of members who have a deep understanding of our business as well as members who have different skill sets and points of view. As noted above, our nomination process and our Board's approach to assessment and evaluation of our nominees support this diversity and inclusion commitment.

Our Corporate Governance Principles include a statement regarding the importance of Board diversity and inclusion to ensure that the director nomination process considers a diverse mix of background, age, gender, sexual orientation, as well as cultural and ethnic composition. Additionally, the NCGC's evaluation of director nominees includes consideration of their ability to contribute to the diversity of personal and professional experiences, opinions, perspectives and backgrounds on the Board.

While we are pleased with the current complement of diverse backgrounds of our directors, we continually assess the size and diversity of the Board. We review our Board skills matrix annually and develop a list of skills and characteristics that we feel would supplement our current diverse mix of experiences and backgrounds the identified skills include: financial expertise, industry, direct international oversight, mergers and acquisitions, cyber or digital experience and a diverse gender, ethnic or racial background.

We are particularly proud of our leadership in female representation on the Board. One-third of our independent directors standing for reelection (30% of all directors) are women. Several of our Board members participate in diversity in leadership programs and others are high-profile speakers on issues of diversity and inclusion.

Our Board has overseen efforts by the Company to increase diversity and inclusion among its employee base. Mr. Green's annual objectives include diversity and inclusion as a key metric, and we have also added new positions responsible for diversity. The Board believes this approach enables us to attract and retain diverse high-quality talent. This has culminated in a diversity mission statement, which can be found in our CR Report at *www.westpharma.com/about-west/corporate-responsibility*. As part of our diversity mission, we have trained employees at all levels on the importance of diversity and inclusion, introduced affinity groups, accelerated efforts in minority recruiting and modified our culture to increase flexibility and mentoring, which we believe facilitates diversity and inclusion.

Board Refreshment and Retirement Age

We review our Board refreshment policies and retirement age annually and continue to monitor broad governance trends in this area. The Board has considered but does not have term limits on the service of our directors, because we believe that term limits may lead to the loss of valuable director insight into our business and operations that is enhanced with continuity.

The Board believes that a diverse mix of long-tenured and new Board members provides a good and appropriate balance of experience to enhance shareholder value. The Board believes that directors provide meaningful, independent oversight and advice at any age. Our Corporate

Governance Principles include a mandatory retirement age of 75. This means that a non-employee director must retire on the date of the Annual Meeting of Shareholders immediately following his or her 75th birthday.

An employee director must submit his or her resignation upon the date he or she ceases to be an executive officer of the Company.

Board Evaluation Process

Each year the Board and each of its committees review their performance during executive sessions. This review centers around questions directors are asked to contemplate regarding their individual performance and the performance of the Board/Committee. These questions include topics such as the relationship between members, quality of the materials provided, the relationship with Management, contributions to key functions/responsibilities of the Board, and topics that they would like to see added or deleted to meeting agendas.

Additionally, the NCGC assesses the evaluation process annually and makes suggested changes when necessary. The NCGC reviews several matters, including the issues to focus on in the evaluation and the form and manner of assessment. The NCGC periodically re-assesses its position on self-evaluation.

During the past two years, the chair of the NCGC reached out to each director individually to discuss any concerns and relayed them to the Board using an interview template approved by the NCGC. In 2018, we revised this process to include all members of the NCGC reaching out to members of the full Board to obtain different perspectives, to encourage collecting as much candid information as possible and to ensure the proper level of engagement.

We believe this evaluation system, coupled with our strong Chairman of the Board and open-door policy, which encourages sharing of ideas among all directors, makes for a robust process that ensures the Board's effectiveness.

Proposal 1 Election of Directors

Our shareholders are asked to consider ten nominees for election to our Board to serve for a one-year term until the 2020 Annual Meeting of Shareholders, and until their successors, if any, are elected or appointed, or their earlier death, resignation, retirement, disqualification or removal. As noted above, Mr. Weiland has decided to retire and not stand for reelection, and, therefore, our Board will be reduced from 11 to 10 members. The names of the nominees for director, their current positions and offices, tenure as a Company director, their qualifications and other characteristics are set forth in the biographies below. The table below also lists each nominee's current Board committees, which changed effective February 19, 2019. Their previous committee assignments, including all of 2018 through February 19, 2019, can be found in our 2018 Proxy Statement.

All the nominees are current Company directors and all non-employee directors have been determined by our Board to be independent. Our NCGC reviewed the qualifications of each of the nominees, finding each nominee to possess the required attributes and possesses the appropriate balance of diversity of knowledge, age, skills, expertise, gender and race, and recommended to our Board that each nominee be submitted to a vote of our shareholders at the Annual Meeting. The Board approved the Committee's recommendation at its meeting on February 19, 2019.

Each of the nominees has agreed to be named and to serve, and we expect each nominee to be able to serve if elected. If any nominee is unable to serve, the NCGC will recommend to our Board a replacement nominee. The Board may then designate the replacement nominee to stand for election. If you voted for the unavailable nominee, your vote will be cast for his or her replacement.

Director Nominee Biographies

Mark A. Buthman

Mr. Buthman retired from Kimberly-Clark Corporation a global producer of branded products for the consumer, professional and healthcare markets in December 2015, where he was Executive Vice President and Chief Financial Officer from January 2003 to April 2015. During his 33-year career at Kimberly-Clark, Mr. Buthman held a wide range of leadership roles in finance, strategy and operations, and led or participated in more than 50 acquisitions during his tenure as Chief Financial Officer. Mr. Buthman is a Board member of IDEX Corporation and Vice Chairman of the Board of Directors of Pavillon International.

Relevant Board Skills and Experience

Mr. Buthman possesses deep financial and accounting management experience, as well as experience in managing real estate, investor relations, information technology, finance and accounting shared services and global procurement, from his time at Kimberly-Clark, a Fortune 150 company with significant international operations. He brings this expertise and counsel to the board in his role by serving on three committees of the Board.

Other public company directorships in the last five years

IDEX Corporation

Age: 58
Director since 2011

Committees:
Compensation
Finance
Nominating & Corp. Gov.

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DIRECTOR NOMINEE BIOGRAPHIES

William F. Feehery, Ph.D.

Dr. Feehery has been President of Industrial Biosciences at DowDuPont (previously, E. I. du Pont de Nemours and Company) a provider of innovative products and services for markets including agriculture, biotechnology, nutrition, electronics, communications, safety and protection, home and construction, and transportation since November 2013. He served as Global Business Director, DuPont Photovoltaic Solutions and previously as Global Business Director, Electronics Growth Businesses and as President of DuPont Displays, Inc. since joining DuPont in 2002. Before joining DuPont, he was engaged in venture capital and was a management consultant for the Boston Consulting Group.

Relevant Board Skills and Experience

Dr. Feehery possesses extensive global public company leadership from his time at the DuPont organization, including the direct responsibility for business operations in over 20 countries and leading a global manufacturing business. In addition, Dr. Feehery has considerable technical experience with a Ph.D. in chemical engineering and over 15 years of experience in the technology industry. He brings this corporate insight, and his technical background, to the Board by serving on three Committees of the Board.

Age: 48
Director since 2012

Committees:
Audit
Compensation
Nominating & Corp. Gov. (Chair)

Public company directorships in the last five years

None

Eric M. Green

Mr. Green has been our President and Chief Executive Officer since April 2015 and a member of our Board of Directors since May 2015. Mr. Green is responsible for leading West's market-led business strategy, focused on tailoring our approach to the specific needs of Biologics, Generics, Pharmaceutical and Diagnostic customer groups. Prior to joining the Company, Mr. Green worked at Sigma-Aldrich Corporation a leading life science and technology company focused on human health and safety where he served as Executive Vice President and President of their Research Markets business unit since 2013. Mr. Green also serves as a member of Bethel University's Board of Trustees.

Relevant Board Skills and Experience

Mr. Green has significant public company experience having served as a corporate officer and member of the senior executive team of Sigma-Aldrich prior to joining the Company. Mr. Green had research and development responsibility and managed a $1.4 billion business unit the largest at that company. Prior to serving in that role, he held key positions of increasing responsibility, including international sales and operations, corporate strategic planning and country management positions in the UK, Ireland and Canada. As West's CEO, Mr. Green is our only non-independent director, and, in addition to the aforementioned experience, brings insight to the Board as the Company's executive leader.

Age: 49
Director since 2015

Committees:
None

Public company directorships in the last five years

None

DIRECTOR NOMINEE BIOGRAPHIES

Thomas W. Hofmann

Age: 67
Director since 2007

Committees:
Audit (Chair)
Compensation

Mr. Hofmann retired from Sunoco, Inc. a diversified energy company in 2008, where he was Senior Vice President and CFO from January 2002 to December 2008. In that role, he was responsible for managing the accounting, auditing, investor relations and strategic planning, tax and treasury functions of the organization. He also chaired the Company's Capital Management Committee and served as the management liaison to the Audit Committee. Mr. Hofmann served Sunoco in various other senior management roles since joining in 1977. Mr. Hofmann serves on the boards of Fox Chase Cancer Center, Temple University Health System and the Young Scholars Charter School. He also serves on the President's Leadership Council of the University of Delaware and is a member of the advisory board for Drexel University's Center for Corporate Governance.

Relevant Board Skills and Experience

Mr. Hofmann possesses substantial financial, corporate governance and management experience with a global, publicly-traded company. He is well-versed in strategic planning, risk-management and capital-market issues, including acquisitions and divestitures. He brings this comprehensive financial background to his role on the Board and as Chair of the Audit Committee and a member of the Compensation Committee.

Public company directorships in the last five years

PVR Partners LP (public through September 2014)
Northern Tier Energy GP LLC (through May 2016)
Columbia Pipeline Partners LP (through February 2017)

Paula A. Johnson, M.D., MPH

Age: 59
Director since 2005

Committees:
Innovation & Technology

Dr. Johnson has been President of Wellesley College since July 2016. Before joining Wellesley, Dr. Johnson founded and served, beginning in 2002, as the inaugural Executive Director of the Connors Center for Women's Health and Gender Biology, as well as Chief of the Division of Women's Health at Brigham and Women's Hospital. A cardiologist, Dr. Johnson was the Grace A. Young Family Professor of Medicine in the Field of Women's Health an endowed professorship named in honor of her mother at Harvard Medical School. She was also Professor of Epidemiology at the Harvard T.H. Chan School of Public Health. Dr. Johnson is the recipient of many awards recognizing her contributions to women's and minority health and is featured as a national leader in medicine by the National Library of Medicine and is a member of the National Academy of Medicine and the American Academy of Arts and Sciences.

Relevant Board Skills and Experience

Dr. Johnson brings a wealth of leading healthcare expertise to our Board. She is a nationally recognized expert in cardiology and women's and minority healthcare issues. In her role as Executive Director of the Connors Center for Women's Health and Gender Biology and as Chief of the Division of Women's Health at Brigham and Women's Hospital, and a Professor of Medicine at Harvard Medical School and Professor of Epidemiology at the Harvard T.H. Chan School of Public Health, Dr. Johnson built a novel, interdisciplinary research, education, clinical and policy program in women's health whose mission is to improve the health of women and to transform their medical care. She has an extensive background in quality and safety in healthcare and in public health systems. She is a member of our Innovation and

Nominating & Corp. Gov.	Technology and Nominating and Corporate Governance Committees.

Public company directorships in the last five years

Eaton Vance Corporation

DIRECTOR NOMINEE BIOGRAPHIES

Deborah L. V. Keller

Age: 56
Director since 2017

Committees:
Audit
Finance
Innovation & Technology

Ms. Keller serves as a Principal at Black Frame Advisors, LLC, having recently retired as Chief Executive Officer of Covance Drug Development a business segment of Laboratory Corporation of America Holdings. Prior to serving as CEO, Ms. Keller spent more than 28 years at Covance in a number of leadership roles, including Corporate Executive Vice President and Group President of Research and Development Laboratories, Corporate Senior Vice President and President of Discovery and Translational Services, and Vice President of Analytical Services in Europe. She is a trustee of the Wisconsin Alumni Research Foundation and serves on the Dean's Advisory Board for the University of Wisconsin School of Business, where she is also an adjunct professor. Ms. Keller was named one of FierceBiotech's 10 Top Women in Biotech in 2012.

Relevant Board Skills and Experience

Ms. Keller possesses substantial global public company management experience from her time at Covance. After several positions of increasing responsibility in Quality Assurance, Marketing, and Scientific Operations, she also led Covance's European chemistry business, and the Central Laboratories Services business unit, the world's largest provider of laboratory services for clinical trials. She brings her corporate management expertise in the life sciences industry to her role on the Board, serving on the Audit, Finance and Innovation and Technology Committees.

Public company directorships in the last five years

None

Myla P. Lai-Goldman, M.D.

Age: 61
Director since 2014

Committees:
Finance
Innovation & Technology (Chair)

Dr. Lai-Goldman is the Executive Chair of GeneCentric Therapeutics, Inc. a precision medicine company where she previously served as Chief Executive Officer and President since June 2011. She is also managing partner of Personalized Science, LLC, a clinical diagnostics consulting company that she founded in 2008. Previously, Dr. Lai-Goldman was Chief Executive Officer and Chief Scientific Officer of CancerGuide Diagnostics, Inc. Before joining CancerGuide Diagnostics, she held various roles including Executive Vice President, Chief Medical Officer and Chief Scientific Officer at Laboratory Corporation of America Holdings (LabCorp) and its predecessor company, Roche Biomedical Laboratories, Inc. Additionally, Dr. Lai-Goldman has been a venture partner at Hatteras Venture Partners since August 2011. Dr. Lai-Goldman is Board-certified in anatomic and clinical pathology.

Relevant Board Skills and Experience

Dr. Lai-Goldman is a recognized author and speaker on clinical diagnostics and has substantial leadership experience at companies like those that our Company serves. Dr. Lai-Goldman spent more than 18 years at LabCorp. She served on LabCorp's Executive and Management Committees, with strategic and operations responsibilities for three major genomic laboratories comprising more than 700 people. During her tenure at the Company, she led all clinical, scientific and medical activities, including the introduction of more than 400 clinical assays. Her experience includes the development of partnerships, licensing and acquisitions. She brings her unique perspective as both a physician, researcher and corporate executive to the Board as Chair of the Innovation and Technology Committee and as a member of the Finance Committee.

Other public company directorships in the last five years

Sequenom, Inc.

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Douglas A. Michels

Mr. Michels retired from OraSure Technologies, Inc. a leader in the development, manufacture and distribution of oral fluid diagnostic and collection devices and other technologies designed to detect or diagnose critical medical conditions in March 2018, after serving as President and Chief Executive Officer, as well as a member of the Board of Directors, since June 2004. Prior to joining OraSure, Mr. Michels served as Group Vice President, Global Marketing of Ortho-Clinical Diagnostics, President of Ortho-Clinical Diagnostics International, and President of Johnson & Johnson Healthcare Systems, Inc. In February 2010, Mr. Michels was appointed to the Presidential Advisory Council on HIV/AIDS. He previously served on the Board of the National Blood Foundation, the Board of the National Committee for Quality Health Care and the Coalition to Protect America's Health Care. He now serves on the boards of Tyme Technologies Inc., St. Luke's University Health Network and the Miller Keystone Blood Center.

Age: 62
Director since 2011

Committees:
Audit
Compensation (Chair)

Relevant Board Skills and Experience

Mr. Michels possesses considerable expertise and executive leadership skills in the pharmaceutical, medical device and diagnostic industry, having spent 13 years with OraSure Technologies, Inc. During his tenure, OraSure developed the nation's first FDA-approved over-the-counter home rapid HIV self-test and the first and only FDA-approved rapid hepatitis C test. Mr. Michels brings his in-depth corporate leadership perspective to his role as Chair of the Compensation Committee, and his experience as a former CEO of a public company to his role on the Audit Committee.

Other public company directorships in the last five years

Tyme Technologies Inc.
OraSure Technologies, Inc. (through March 2018)

Paolo Pucci

Mr. Pucci is Chief Executive Officer and a member of the Board of Directors of ArQule, Inc. a biopharmaceutical company engaged in the research and development of targeted therapeutics. Before joining ArQule in 2008, Mr. Pucci worked at Bayer A.G., where he served in a number of leadership capacities including Senior Vice President of the Global Specialty Medicine Business Unit and was a member of the Bayer Pharmaceuticals Global Management Committee. Before Bayer, Mr. Pucci held positions of increasing responsibility with Eli Lilly and Company, culminating with his appointment as Managing Director, Eli Lilly Sweden AB.

Age: 57
Director since 2016

Relevant Board Skills and Experience

Mr. Pucci possesses a wealth of knowledge regarding biopharmaceutical markets and from his experience as a chief executive officer of a publicly-traded company. His international background also adds to the diverse knowledge base of our Board. Mr. Pucci is the only member of our Board who as of the date of the Annual Meeting serves as a Chief Executive Officer of a public company, ArQule, an experience that we believe is important in terms of Board diversity. Mr. Pucci's expertise in new drug development, his executive responsibilities, his experience working for large multinationals and his non-U.S. training are valuable additions to our Board, and to his roles as Chair of the Finance Committee and a member of the Innovation and Technology Committee.

Committees:
Finance (Chair)
Innovation & Technology

Other public company directorships in the last five years

ArQule Inc.
NewLink Genetics Inc. (through October 2018)
Dyax Inc. (through 2016)

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DIRECTOR NOMINEE BIOGRAPHIES

Patrick J. Zenner

Age: 72
Director since 2002
Chairman since 2015

Committees:
Nominating & Corp. Gov.

Mr. Zenner was elected Chairman of the Board effective July 1, 2015. He retired from Hoffmann-La Roche Inc., North America the prescription drug unit of the Roche Group, a leading research-based healthcare enterprise in 2001, where he served as President and Chief Executive Officer from 1993 to 2001. He served as Interim Chief Executive Officer of CuraGen Corporation from May 2005 through March 2006. Since then, Mr. Zenner was a director and Chairman of the Board of Exact Sciences Corporation until July 2010 and served as its Interim CEO from July 2007 to March 2008. Currently, Mr. Zenner serves as Chairman of the Board of ArQule, Inc. and as a director of Selecta Biosciences, Inc. Mr. Zenner is currently a member of the Board of Trustees of Creighton University and is Chairman of the Board of Trustees of Fairleigh Dickinson University.

Relevant Board Skills and Experience

Mr. Zenner possesses more than 40 years of experience and expertise in the pharmaceutical industry. Since retiring from Hoffmann-La Roche, Mr. Zenner has devoted his considerable industry expertise and corporate governance knowledge to small and early-stage pharmaceutical and technology companies in various capacities, including board member, chairman and interim CEO.

As the lead independent director for West, Mr. Zenner has served in a number of leadership roles, including membership on each of the Company's board committees. He organized and led the search for West's new CEO in 2015. He also oversaw the development and implementation of a robust enterprise risk management process at West and led the development of a comprehensive director education program. The continuity of his membership and length of service on the Board is a valuable asset, particularly in light of changes to executive management members, changes to our enterprise strategic plan and additions of new Board members over the past several years.

Other public company directorships in the last five years

ArQule, Inc.
Selecta Biosciences, Inc.

The Board unanimously recommends a vote FOR the election of each of these nominees as directors.

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Board and Director Information and Policies

Our Board structure reflects our Corporate Governance Principles and commitment to good governance. We believe the governance structure we have created between the Board, its Committees, the Board Chair, the CEO and Management, is supporting the sustainable growth of the Company.

During 2018, our Board met five times. All of our Board members attended all Board meetings and more than 94% of the combined total of all Board and Committee meetings in 2018. Our Board is committed to ensuring that directors attend meetings and that the Board and its Committees devote sufficient time necessary for the effective oversight of the Company and its Management. Additionally, annually during the review process, the Board assesses the time commitments for our Board against the time commitments of a member's outside positions to ensure there is sufficient time to devote to their duties as a West director.

Our Board also holds regular executive sessions of only independent directors to review, among other things, the Company's strategy and Management's operating plans, the criteria by which our CEO and other senior executives are measured, Management's performance against those criteria and other related issues and to conduct a self-assessment of its performance. Last year, our independent directors held five executive sessions.

All of our directors attended the 2018 Annual Meeting and all directors that are standing for reelection are expected to attend the 2019 Annual Meeting.

Board Leadership Structure

The current governance structure of the Board follows:

- The offices of Chairman and CEO are separate
- The Board has established and follows robust Corporate Governance Principles
- All the members of the Board, other than Mr. Green, are independent
- All Board Committees are composed solely of independent directors
- Our independent directors meet regularly in executive session both at the Board and Board committee levels
- Our directors as a group possess a broad range of skills and experience sufficient to provide the leadership and strategic direction the Company requires as it seeks to enhance long-term value for shareholders

While the offices of Chairman and CEO are currently separate, the Board takes a flexible approach to the issue of whether the offices of Chairman and CEO should be separate or combined. This approach allows the Board to regularly evaluate whether it is in the best interests of the Company for the CEO or another director to hold the position of Chairman.

The Board does not currently have a lead independent director, although the Board believes it may be useful and appropriate to designate a lead independent director if the offices of Chairman and CEO are combined in the future.

We believe the current Board leadership structure is appropriate now because it allows the Chairman to focus on corporate governance and management of the Board's priorities and allows the CEO to focus directly on managing our operations and growing the Company.

Chairman of the Board of Directors

The responsibilities of the Chairman include:

- Chairing Board meetings, including executive sessions of the independent directors
- Approving agendas and schedules for each Board meeting in consultation with the CEO
- Serving as principal liaison between the CEO and the independent directors

Each independent director may add items to the agenda.

Our current Chairman, Mr. Zenner, has been serving on the Board since 2002, and as our Chairman since 2015. Each year the Board considers the role of the Chairman and who is sitting in that role. We believe Mr. Zenner's experience as a top executive plus independence and history with the Company makes him a valuable asset for the Company, and he provides significant leadership and perspective to our Board.

Committees

The Board has five standing committees:

- Audit Committee
- Compensation Committee
- Finance Committee
- Innovation & Technology Committee
- Nominating and Corporate Governance Committee

From time to time, the Board may form ad hoc committees to address specific situations as they arise. Each committee consists solely of independent directors. All directors may attend any committee meeting, even if he or she is not a member. Our Board Chair and our CEO attend all Board meetings and attend virtually all Committee meetings, unless there is a scheduling conflict. Each standing committee has a written charter, which is posted in the *"Investors Corporate Governance"* section of our website at *www.westpharma.com*. You may also request a copy of each committee's charter from our Corporate Secretary. Below we set forth the current members of each Committee (as of the date of this Proxy Statement) and its core functions.

Audit Committee

Thomas W. Hofmann (Chair)
William F. Feehery
Deborah L. V. Keller
Douglas A. Michels

The Audit Committee assists our Board in its oversight of: (1) the integrity of our financial statements; (2) the independence and qualifications of our independent auditors; (3) the performance of our internal audit function and independent auditors; and (4) our compliance with legal and regulatory requirements. In carrying out these responsibilities, the Audit Committee, among other things:

- Reviews and discusses our annual and quarterly financial statements with Management and the independent auditors

Manages our relationship with the independent auditors, including having sole authority for their appointment, retention and compensation; reviewing the scope of their work; approving non-audit and audit services; and confirming their independence

Oversees Management's implementation and maintenance of disclosure controls and procedures and internal control over financial reporting

Regularly meets with our internal auditors, Corporate Controller, Chief Digital and Transformation Officer, Senior Director of Cybersecurity and Chief Compliance Officer to assess financial and cyber risks

The Board has affirmatively determined that Mr. Hofmann is an "Audit Committee Financial Expert" as defined in SEC regulations. The past Chair of the Audit Committee, Mr. Buthman, remains an Audit Committee Financial Expert. In 2018, the Audit Committee met seven times. All members of the Audit Committee are independent as defined in the listing standards of the New York Stock Exchange ("NYSE") and the Company's Corporate Governance Principles.

Compensation Committee

Douglas A. Michels (Chair) *Mark A. Buthman* *William F. Feehery* *Thomas W. Hofmann*	The Compensation Committee develops our overall compensation philosophy, and determines and approves our executive compensation programs, makes all decisions about the compensation of our executive officers, reviews our talent management and succession planning for key positions and oversees our cash and equity-based incentive compensation plans. Additional information about the roles and responsibilities of the Compensation Committee can be found under the heading "Compensation Discussion and Analysis." In 2018, the Compensation Committee met five times. All members of the Compensation Committee are independent as defined in the listing standards of the NYSE and the Company's Corporate Governance Principles.

Finance Committee

Paolo Pucci (Chair) *Mark A. Buthman* *Deborah L. V. Keller* *Myla P. Lai-Goldman*	The Finance Committee reviews proposals made by Management and recommends to the full Board optimal capital structure of the Company and adjustments to the way capital is allocated and deployed by the Company. The Finance Committee analyzes and makes recommendations to the full Board with respect to potential opportunities for business combinations, acquisitions, mergers, dispositions, divestitures and similar strategic transactions involving the Company. The Finance Committee also evaluates the alignment of proposed strategic transactions with the Company's strategic business plan and oversees the process of reviewing, negotiating, consummating and integrating potential strategic transactions. In 2018, the Finance Committee met six times, including several meetings to assess potential acquisition targets. All members of the Finance Committee are independent as defined in the listing standards of the NYSE and the Company's Corporate Governance Principles.

Innovation and Technology Committee

Myla P. Lai-Goldman (Chair) *Paula A. Johnson* *Deborah L. V. Keller* *Paolo Pucci*	The Innovation and Technology Committee provides guidance to our Board on technical and commercial innovation strategies, reviews emerging technology trends that may affect our business, reviews our major innovation and technological programs and overall patent strategies, and assists our Board in making well-informed choices about investments in new technology. In 2018, the Innovation and Technology Committee met three times.

Nominating and Corporate Governance Committee

William F. Feehery (Chair) *Mark A. Buthman* *Paula A. Johnson* *Patrick J. Zenner*	The Nominating and Corporate Governance Committee identifies qualified individuals to serve as board members; recommends nominees for director and officer positions; reviews our commitment to diversity; determines the appropriate size and composition of our Board and its committees; monitors a process to assess Board effectiveness; reviews related-party transactions; and considers matters of corporate governance. The Committee also reviews and makes recommendations to the Board regarding compensation for non-employee directors and administers director equity-based compensation plans. In 2018, the Nominating and Corporate Governance Committee met three times. All members of the Committee are independent as defined in the listing standards of the NYSE and the Company's Corporate Governance Principles.

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The Board's Role in Risk Oversight

The Board and its Committees play an active role in overseeing Management's day-to-day responsibility for assessing and managing our risk exposure.

The Board regularly reviews and monitors the risks associated with our enterprise strategy, financial condition and operations and specifically reviews the enterprise risks associated with our five-year plan. In particular, the Board reviews our risk portfolio, confirms that Management has established risk-management processes that are functioning effectively and efficiently and are consistent with our corporate strategy, reviews the most significant risks and determines whether Management is responding appropriately.

The Board performs its risk oversight role by using several different levels of review. Each Board meeting begins with a strategic overview by the CEO that describes the most significant issues, including risks, affecting the Company as well as business updates from each reportable segment. In addition, the Board reviews in detail the business and operations of each reportable business segment quarterly, including the primary risks associated with that segment.

Our Enterprise Risk Management ("ERM") program helps us manage the risks inherent in our business, by gaining a greater understanding and awareness of risks facing the business, ensure risk-appropriate mitigation efforts are in place and regularly monitors and ensures the Company meets or exceeds the expectation of all stakeholders, including investors and regulators.

The ERM program includes a Risk Identification and Management ("RIM") process, crisis management, business continuity and disaster recovery elements, set forth in additional detail in the chart below:

The Board focuses on the overall risks affecting the Company. Each Board Committee has been delegated the responsibility for the oversight of specific risks that fall within its areas of responsibility, as cataloged through the RIM process, including:

The Audit Committee oversees management of financial reporting, compliance, litigation and cybersecurity risks as well as the steps Management has taken to monitor and control such exposures. This Committee also oversees the processes used in our ERM program

The Compensation Committee is responsible for overseeing the management of risks relating to our executive compensation policies, plans and arrangements and the extent to which those policies or practices increase or decrease risk for the Company

The Finance Committee assesses the risks associated with allocation of our capital, potential acquisitions, divestitures and major business partnerships

The Innovation and Technology Committee reviews risks associated with intellectual property, innovation efforts and our technology strategy

The Nominating and Corporate Governance Committee manages risks associated with the independence of the Board, potential conflicts of interest and the effectiveness of the Board

Although each Committee is responsible for evaluating certain risks and overseeing the management of those risks, the full Board is regularly informed about those risks through regular Committee reports.

Cybersecurity. The full Board and the Audit Committee both participate in the vital work necessary to understand our cybersecurity risk and oversee the related risk mitigation activities. This has become more critical as we launched a new e-commerce website during 2018 and due to the expansion of privacy regulations in Europe. The Audit Committee reviews cybersecurity risk at every live meeting, holds private sessions with our Chief Digital and Transformation Officer and reviews our

Cybersecurity dashboard at all in-person meetings. Additionally, our Senior Director, Infrastructure and Cybersecurity, Senior Director, Internal Audit, and Chief Compliance Officer separately meet with the Committee to provide additional insight into our cybersecurity and privacy strategy and tactics.

Our approach to mitigating cybersecurity risks includes review by third party experts, training for directors (both internally and externally), holding within the Company a global cybersecurity awareness week, and the adoption of the National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity (the "NIST Framework"). The NIST Framework provides a comprehensive framework to develop a flexible, repeatable, performance-based and cost-effective approach to identifying and managing cybersecurity risks. We measure ourselves against this framework to assess our own maturity on cybersecurity.

Our cybersecurity defenses utilize technologies such as firewalls, intrusion detection, and encryption to ensure the privacy and security of our customers' data, with a dedicated security information and event management team monitoring our applications constantly.

Executive Officer Succession Planning

One of the primary responsibilities of the Board is to ensure that West has the appropriate management to execute our long-term strategy. Our Corporate Governance Principles state the Board must plan for succession with respect to the CEO and monitor Management's succession planning for other key executives. In fulfilling this duty, the Board, together with the CEO and Chief Human Resources Officer ("CHRO") reviews at least annually, the development and retention plans of senior management talent as well as succession plans for the CEO and other senior management positions.

During these reviews, the Board discusses:

- Management performance
- Strengths and developmental opportunities needed to prepare senior leaders for greater responsibilities
- Potential internal development job changes
- Succession plans including leadership pipeline, development plans and timelines
- Diversity of leadership and pipeline candidates
- Detailed assessment of the members of the executive leadership team who potentially could succeed the CEO. This review includes a discussion about development plans to help prepare each individual for future succession.

In addition, our CEO has as an annual goal for the development of senior leaders and the creation of a global succession plan for key positions within the Company. Therefore, he prepares detailed succession plans and contingency plans in the event that he is unable to serve as CEO for any reason including death or disability. These plans are reviewed annually by the NCGC and discussed with the Board. Finally, throughout the year, Board members are exposed to leadership and pipeline candidates through Management presentations, roundtable discussions, and other informal meetings to assess the depth of our leadership pipeline.

CEO Evaluation Process

In assessing the performance of our CEO, the independent directors engage in a robust assessment process that is managed throughout the year and culminates in a formal annual performance review. The assessment includes the following:

Independent directors approve the CEO annual business objectives consisting of both qualitative and quantitative progress against Customer Experience, Operational Effectiveness, Products & Services Expansion, Enterprise Capabilities, People and Culture and Financial Goals

A comprehensive analysis is undertaken by our Compensation Committee's independent consultant on the robustness of West's financial targets and compare these against our Business Segment Group's performance

Each quarter, the independent directors review the progress made against each objective

The CEO undertakes a self-assessment of performance against the approved annual objectives

Annual anonymous evaluation of the CEO's individual performance by the independent directors on numerous factors, including: leadership, strategic planning, financial performance, employee development and engagement, external and internal relations and interactions with the Board

An analysis of West's total performance over a multi-year period, a competitive benchmark analysis, and other relevant information is submitted to the independent directors

Working with the Compensation Committee's independent compensation consultant, the Chair of the Compensation Committee considers all of this information in developing its recommendations for compensation, as discussed below in our "Compensation Discussion and Analysis."

Corporate Responsibility

As a leader in our industry, we recognize our responsibility to conduct business in a sustainable manner and strive to be a good corporate citizen. Our CR efforts include six key areas of focus: Compliance and Ethics, Philanthropy, Diversity and Inclusion, Health and Safety, Environmental Sustainability and Quality. During 2018, we engaged our shareholders on this important topic, as well as more than 30 key customers. Detailed below is a brief overview of our progress. We will report more fully on our CR accomplishments in our 2018 CR report, which is expected to be published in June.

Compliance & Ethics. Our Compliance and Ethics standards include holding ourselves to the highest standards of quality, integrity and respect as outlined in our Code of Business Conduct ("COBC"), which is supported by our training program led by our Chief Compliance Officer, and our annual Compliance Week efforts.

Philanthropy. West has long-placed importance in supporting charities, particularly as it relates to children, people with disabilities, healthcare and Science Technology Engineering and Math ("STEM") education in the communities where we live and work. In 2018, charitable giving by the Company, our employees and the Herman O. West Foundation totaled approximately $2.5 million. Our philanthropic efforts, and particularly our President and CEO's leadership in this area, were recognized by CEO Connection, a global organization focused on supporting mid-market CEOs and their shareholders, with their 2018 Social Impact Award.

Diversity and Inclusion. As discussed above, we strive to create and maintain a workplace rich with diverse people, talent and ideas, and to create an inclusive environment for all employees to succeed. We have increased awareness, adopted affirmative action programs, and strengthened programs and policies, which includes the adoption of our first global anti-discrimination and anti-harassment policy in 2018.

Health and Safety. A healthy and safe environment is a fundamental right for all people. We have developed new safety protocols and procedures to create a culture of safety, which incorporates behavior-based training and observations. We consistently aim to have a zero-injury workplace and monitor our progress to that goal, which has resulted in a reduction of injuries over the past three years by more than 60%. These goals are set using globally-recognized benchmarks included in our CEO's annual performance objectives.

Environmental Sustainability. We strive to be stewards of a sustainable future by factoring environmental considerations into our decision making for raw materials, production processes and distribution methods. Our emissions, energy and water intensity goals established in 2013 for 2020 have already been exceeded and will be reset in 2019. West has also continuously improved our rating under the Carbon Disclosure Project about 5% annually since 2013, culminating in our highest rating ever in 2018. We have also received multiple awards for our Corporate Responsibility efforts, which are set forth in more detail on our website at *www.westpharma.com/about-west/corporate-responsibility*. The information on that website is updated periodically, and believed to be true at the time it is posted, but it is not filed with and does not constitute part of this Proxy Statement.

Quality. At West, we are committed to safeguarding the health and safety of patients who use our products and services. We provide high-quality products that are safe and effective for their intended use. Quality product and system controls are designed to ensure compliance with our high standards and applicable cGMPs, ISO standards and regulatory requirements. West utilizes customer feedback and in-process manufacturing data to improve processes and product performance. The Company continues to deliver industry-leading quality levels year-over-year.

2018 Shareholder Outreach

Our Board considers its relationship with our shareholders to be important to effective corporate governance. To ensure that the Board considers shareholder views on compensation, corporate governance, corporate responsibility and other significant matters, we maintain an active shareholder engagement program. Throughout the year, Management meets with our actively-managed, institutional shareholders, which own a majority of our shares. At every Board meeting, Management discusses topics raised by our shareholders and solicits Board input.

One area of focus for us and our shareholders is the alignment of pay and performance in a manner that enhances shareholder value. Our shareholders have historically expressed support for our performance goals and metrics.

Additionally, Management heard our shareholders express support for our corporate governance framework, Board membership and Board policies, including our tenure policies. Shareholder interest in environmental, social and governance matters has led to additional disclosures and progress in those areas with the Board's oversight.

Communicating with the Board

You may communicate with the Chairman of the Board or the independent directors as a group by sending a letter addressed to the Board of Directors, c/o Corporate Secretary, West Pharmaceutical Services, Inc., 530 Herman O. West Drive, Exton, Pennsylvania 19341. Communications to a particular director should be addressed to that director at the same address. Our Corporate Secretary maintains a log of all communications received through this process. Communications to specific directors are forwarded to those directors. All other communications are given directly to the Chairman of the Board who decides whether they should be forwarded to a Board committee or to Management for further handling.

Director Education

The Board believes shareholders are best served by Board members who are well versed in corporate governance principles and other subject matters relevant to board service. The Board arranges for a series of annual educational presentations on its calendar. Also, to encourage continuing director education, all directors may attend any director education programs they consider appropriate to stay informed about developments in corporate governance and the markets we serve. The Company reimburses directors for the reasonable costs of attending director education programs.

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Corporate Governance Documents and Policies

Our principal governance documents are our Corporate Governance Principles, Board Committee Charters, director qualification standards, including our Independence Standards, and COBC. Aspects of our governance documents are summarized below. We encourage our shareholders to read our governance documents, as they present a comprehensive picture of how the Board addresses its governance responsibilities to ensure our vitality and success. The documents are available in the "*Investors Corporate Governance*" section of our website at *www.westpharma.com* and copies of these documents may be requested by writing to our Corporate Secretary, West Pharmaceutical Services, Inc., 530 Herman O. West Drive, Exton, PA 19341.

Corporate Governance Principles

Our Board has adopted Corporate Governance Principles to provide guidance to our Board and its committees on their respective roles, director qualifications and duties, Board and committee composition, organization and leadership. Our Nominating and Corporate Governance Committee reviewed and significantly updated our Corporate Governance Principles to meet best practices in corporate governance during 2017. In 2018, the Committee confirmed that the Corporate Governance Principles address our current and long-term business needs. Our Corporate Governance Principles address, among other things:

- Statements of the Board's commitment to high ethical standards, principles of fair dealing and high ethical standards
- The requirement to hold separate executive sessions of the independent directors
- The importance of robust executive succession planning and the role of directors in succession planning
- The Board's policy on setting director compensation and director share-ownership guidelines
- Guidelines on Board organization and leadership, including the number and structure of committees and qualifications of committee members
- Guidelines on outside board memberships
- Policies on making charitable contributions and prohibition of political contributions
- Policies on access to Management

Requirements fostering leadership development by senior executives

Statements of our executive compensation philosophy and our independent auditor standards

Director orientation and education

Assessments of Board and Committee performance to determine their effectiveness

Code of Business Conduct

All our employees, officers and directors are required to comply with our COBC as a condition of employment. The COBC covers fundamental ethical and compliance-related principles and practices such as accurate accounting records and financial reporting, avoiding conflicts of interest, protection and proper use of our property and information and compliance with legal and regulatory requirements. The Board has adopted a comprehensive Compliance and Ethics Program, which was substantially updated in 2016, and was reviewed and reaffirmed in 2017 and 2018 as meeting the needs of our Company, its shareholders and other stakeholders. Susan A. Morris is our Chief Compliance Officer and reports directly to the Audit Committee of the Board on all compliance matters. Ms. Morris trains the Board on compliance matters and delivers regular reports on program developments and initiatives to the Audit Committee and no less than annually to the full Board.

Director Independence

Our Board has adopted a formal set of categorical Independence Standards. The Independence Standards meet or exceed the independence requirements of the NYSE corporate governance listing standards. Under the Standards, a director must have no material relationship with us other than as a director. The Independence Standards specify the criteria for determining director independence, including strict guidelines for directors and their immediate families regarding employment or affiliation with us, members of our senior Management or their affiliates. The full text of the Independence Standards may be found under the "*Investors Corporate Governance*" section on our website at *www.westpharma.com*.

The NCGC undertook its annual review of director independence in February 2019. As a result of this review, the NCGC recommended and the full Board concurred that no revision of the Independence Standards was required. Subsequently, the Board considered whether any relationships described under the Independence Standards between the Company and each individual director existed. The Board affirmatively determined that each of its non-employee directors is independent of the Company and Management as defined under the Independence Standards.

Related Person Transactions and Procedures

The Board has adopted written policies and procedures relating to the Nominating and Corporate Governance Committee's review and approval of transactions with related persons that are required to be disclosed in proxy statements under SEC regulations. A "related person" includes our directors, officers, 5% shareholders and immediate family members of these persons.

Under the policy, the NCGC reviews the material facts of all related-person transactions, determines whether the related person has a material interest in the transaction and may approve, ratify, rescind or take other action with respect to the transaction.

In approving a transaction, the Committee will consider, among other factors, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

The Committee reviews and pre-approves certain types of related person transactions, including certain transactions with companies at which the related person is an employee only, and charitable contributions that would not disqualify a director's independent status. The policy and procedures can be found in the "*Investors Corporate Governance*" section of our website, *www.westpharma.com*.

We have no related person transactions required to be reported under applicable SEC rules.

Political Contributions and Lobbying

While we encourage directors, officers and employees to become involved in the political process in their individual capacity, including personal contributions to political campaigns, no West employee or director may conduct personal political activity on Company time or use Company funds, property or equipment for political activities. We comply with the laws related to contributing to, directly or indirectly, political organizations and government officials. Under our Corporate Governance Principles, the Board is responsible for overseeing the process used by the Company to ensure the Company's policy prohibiting political contributions is effectively implemented.

The Company made no political contributions in 2018, but does hold membership in recognized and reputable industry groups that may conduct lobbying activities.

Anti-Hedging and Pledging Policies

We prohibit directors, officers and employees from engaging in hedging or monetization transactions, such as zero-cost collars and forward sale contracts, which would allow them to continue to own our common stock, but without the full risks and rewards of ownership. We also prohibit directors, executive officers and other senior employees from engaging in pledging or hypothecating our securities as collateral for a loan without demonstrating to the General Counsel that a director or officer has the financial capacity to repay the loan. It is expected that this exception would be permitted only in exceedingly rare circumstances. No pledging is permitted to cover margin debt. Additionally, no West securities may be held in a margin account by directors or officers because there is a risk of the shares being sold without consent. Directors and officers are prohibited from engaging in short sales or other short-position transactions in West securities as well.

Share Ownership Goals

Directors. To encourage significant share ownership by our directors and further align their interests with the interests of our shareholders, directors are expected to acquire within three years of appointment, and to retain during their Board tenure, shares of our common stock equal in value to at least five times their annual retainer. All directors meet this requirement, including directors who are still within the three-year period to obtain the shares.

Officers. Share ownership goals further align an officer's interests with those of our shareholders and encourage a long-term focus. Within five years of attaining their position, all executive officers must acquire shares of common stock with a value equal to designated multiples of their base salary. The Compensation Committee established a goal of six times base salary for the CEO and two times base salary for all other executive officers. A full description of the officer share ownership requirements can be found in our "Compensation Discussion and Analysis."

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Stock Ownership

The table below shows the number of shares of our common stock beneficially owned as of March 5, 2019, by each of our directors, each NEO and all current directors and executive officers as a group. For executive officers, in addition to shares owned directly, the number of shares includes: (a) vested shares held in employee participant accounts under our 401(k) plan, Nonqualified Deferred Compensation Plan for Designated Employees ("Employee Deferred Compensation Plan") and Employee Stock Purchase Plan; and, (b) time-vested restricted stock and Restricted Stock Units ("RSUs") held in various incentive plan accounts, unless receipt of those shares has been deferred. For non-employee directors, in addition to shares owned directly, the common stock column includes vested deferred stock and stock-settled stock units awarded under the Nonqualified Deferred Compensation Plan for Non-Employee Directors ("Director Deferred Compensation Plan").

Silji Abraham	4,572	2,630	*
Bernard J. Birkett	10,256		*
Mark A. Buthman	35,799		*
William F. Feehery	25,162		*
Karen A. Flynn	25,654	149,715	*
Eric M. Green	55,852	356,496	*
Thomas W. Hofmann	38,671		*
Paula A. Johnson	43,513		*
Deborah L. V. Keller	4,610		*
Myla P. Lai-Goldman	13,312		*
Douglas A. Michels	38,867		*
David A. Montecalvo	1,628	5,013	*
Paolo Pucci	4,898		*
John H. Weiland (not standing for reelection)	70,539		*
Patrick J. Zenner	74,371		*
All directors and executive officers as a group (19 persons)	***548,239***	***725,526***	***1.7%***

* Less than one percent of outstanding shares.

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Based on a review of filings with the SEC, we have determined that the persons listed below hold more than 5% of the outstanding shares of our common stock as of March 5, 2019. Unless otherwise stated, each holder has sole voting and dispositive power over the shares listed.

T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, MD 21202	8,994,963[(1)]	12.1%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	7,301,588[(2)]	9.9%
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	6,939,493[(3)]	9.4%
Franklin Resources, Inc. One Franklin Parkway San Mateo, CA 94403-1906	4,800,130[(4)]	6.5%

(1) Includes sole voting power over 2,325,359 shares and sole dispositive power over all shares listed.

(2) Includes sole voting power over 36,191 shares, shared voting power over 8,885 shares, shared dispositive power over 7,263,387 shares and shared dispositive power over 38,201 shares.

(3) Includes sole voting power over 6,638,048 shares and sole dispositive power over all shares listed.

(4) Franklin Advisers, Inc. ("FAS") and its affiliates have sole voting and dispositive power over all shares listed. FAS is an investment management subsidiary of Franklin Resources, Inc. ("FRI"). FRI treats FAS as having sole investment discretion and voting authority for all shares listed. Additionally, Charles B, Johnson and Rupert H. Johnson ("Principal FRI Shareholders") are each shareholders of more than 10% of FRI, but also do not claim investment or voting interests in the Company stock held by FRI. However, FRI believes that FAS and the Principal FRI Shareholders are a "group" for purposes of applicable securities law.

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Director Compensation

2018 Non-Employee Director Compensation

Board of Director compensation structure is reviewed annually by the Board of Directors in consultation with Pay Governance LLC ("Pay Governance"), our independent compensation consultant. After this review, it was determined that no changes were necessary to the compensation structure with respect to 2018. The structure that was in effect for all of 2018 is set forth below.

Annual Retainers and Chair Fees	
Board membership	$ 80,000
Chairman of the Board	100,000*
Audit Committee Chair	20,000
Compensation Committee Chair	20,000
All Other Committee Chairs	10,000
Restricted Stock Units	160,000

* Payable in 50% cash and 50% restricted stock, which vests 100% after one year, as elected annually by the Chairman.

The following table shows the total 2018 compensation of our non-employee directors.

2018 Non-Employee Director Compensation

Mark A. Buthman	100,000	160,074	18,837	278,911
William F. Feehery	90,000	160,074	13,318	263,392
Thomas W. Hofmann	80,000	160,074	20,757	260,831
Paula A. Johnson	90,000	160,074	26,926	277,000
Deborah L. V. Keller	80,000	160,074	1,731	241,805
Myla P. Lai-Goldman	80,000	160,074	6,793	246,867
Douglas A. Michels	100,000	160,074	20,525	280,599
Paolo Pucci	80,000	160,074	2,160	242,234
John H. Weiland	90,000	160,074	38,305	288,379
Patrick J. Zenner	130,000	210,074	32,560	372,634

Fees Earned or Paid in Cash

The amounts in the "Fees Earned or Paid in Cash" column are retainers earned for serving on our Board, its committees and as committee chairs and Chairman, as applicable. All annual retainers are paid quarterly. For Mr. Zenner this amount includes his cash fees for serving as Chairman of the Board. The amounts are not reduced to reflect elections to defer fees under the Director Deferred Compensation Plan. During 2018, Mr. Buthman, Ms. Keller and Mr. Michels deferred 100% of their fees.

Stock Awards

The amounts in the "Stock Awards" column reflect the grant date fair value of stock-settled RSU awards made in 2018 and the grant date fair value is determined under Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 718. In 2018, each continuing non-employee director was awarded 1,824 RSUs, with a grant date fair market value of $87.76 per share based on the closing price of our common stock on the award date, May 1, 2018. These awards had a grant date fair value of approximately $160,000. For a discussion on RSU grant date fair value, refer to Note 13 of the consolidated financial statements in our 2018 Annual Report.

RSUs are granted on the date of our Annual Meeting and fully vest on the date of the next Annual Meeting so long as a director remains on the Board as of that date. Generally, all unvested grants of equity forfeit upon termination. However, if a director

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retires during the calendar year that he or she reaches our mandatory retirement age, the award will vest on a monthly basis through retirement.

Stock-settled RSUs are distributed upon vesting, unless a director elects to defer the award under the Director Deferred Compensation Plan. In 2018, all directors elected to defer their RSU awards, except for Mr. Weiland who did not defer. All awards are distributed as shares of common stock, as described below. When dividends are paid on common stock, additional shares are credited to each director's deferred stock account as if those dividends were used to purchase additional shares.

For Mr. Zenner, this column also includes the 584 shares of restricted stock received out of his $100,000 Chairman's annual retainer, which he elected to receive 50% in stock. The restricted stock, which had a grant date fair value of $85.62 per share, vests 25% per quarter and was equivalent to approximately 50% of his Chairman's retainer, or $50,000. These restricted shares are issued and outstanding, and, therefore, earn dividends. They are not eligible to be deferred or credited to the Director Deferred Compensation Plan. The remainder of this retainer was paid in cash.

The table below shows the number of outstanding stock awards held by each director at year-end. No directors have any outstanding options.

Outstanding Director Stock Awards at Year-End 2018

Mark A. Buthman	0	33,918	1,829	35,747
William F. Feehery	0	23,297	1,829	25,126
Thomas W. Hofmann	0	36,787	1,829	38,616
Paula A. Johnson	0	41,622	1,829	43,451
Deborah L. V. Keller	0	2,775	1,829	4,604
Myla P. Lai-Goldman	0	11,464	1,829	13,293
Douglas A. Michels	0	36,982	1,829	38,811
Paolo Pucci	0	3,062	1,829	4,891
John H. Weiland	0	68,610	1,829	70,439
Patrick J. Zenner	292	58,141	1,829	60,262

All Other Compensation

The amounts in the "All Other Compensation" column are Dividend Equivalent Units ("DEUs") credited to accounts under the Director Deferred Compensation Plan and a $3,000 charitable donation made by Paula Johnson, which was matched by the Company's foundation.

Director Deferred Compensation Plan

All non-employee directors may participate in the Director Deferred Compensation Plan, which permits participants to defer all or a part of their annual cash compensation until their Board service terminates. Deferred fees may be credited to a "stock-unit" account that is deemed invested in our common stock or to an account that earns interest at the prime rate of our principal commercial bank. Stock-unit accounts are credited with DEUs based on the number of stock units credited on the dividend record date.

The value of a director's account balance is distributed on termination of Board service. The value of a director's stock-unit account is determined by multiplying the number of units credited to the account by the fair market value of our common stock on the termination date.

RSUs that a director elects to defer (and all shares of deferred stock) are distributed in shares of stock. Pre-2014 stock units may be distributed in cash in lieu of stock, if a director made an election in 2013. All post-2013 stock units are only distributable in stock. Partial shares are distributed in cash.

Directors may receive their distribution as a lump sum or in up to ten annual installments. Separate elections apply to amounts earned and vested before January 1, 2005 and amounts earned and vested after December 31, 2004, which solely applies to Mr. Zenner. If a director elects the installment option, the cash balance during the distribution period will earn interest at the prime rate of our principal commercial bank and deferred stock and stock-settled units will be credited with DEUs until paid.

The following table summarizes the amounts credited to each Director Deferred Compensation Plan account as of December 31, 2018: All values on the following table are determined by multiplying the number of stock units or shares of deferred stock, as applicable, by $98.03, the fair market value of a share of stock on December 31, 2018. A portion of the stock units reported below may relate to deferred compensation that has previously been reported in the "Fees Earned or Paid in Cash" column for the year the underlying compensation was earned by the director.

Director Deferred Compensation Plan at Year-End 2018

Mark A. Buthman	0	3,325,029	179,278	3,504,307
William F. Feehery	0	2,283,811	179,278	2,463,089
Thomas W. Hofmann	0	3,606,186	179,278	3,785,464
Paula A. Johnson	0	4,080,214	179,278	4,259,492
Deborah L. V. Keller	0	271,989	179,278	451,267
Myla P. Lai-Goldman	0	1,123,806	179,278	1,303,084
Douglas A. Michels	815,464	2,809,871	179,278	3,804,613
Paolo Pucci	0	300,188	179,278	479,466
John H. Weiland	2,017,036	4,708,773	179,278	6,905,087
Patrick J. Zenner	0	5,699,565	179,278	5,878,843

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Compensation Committee Report

Set forth below is the Compensation Discussion and Analysis, which outlines West's executive compensation programs and policies and how such policies are used to align executive compensation with business performance and shareholder return. This section describes our executive compensation programs for 2018, the compensation decisions made under those programs and the factors considered by the Committee in making those decisions.

In performing its governance function, the Compensation Committee has reviewed and discussed with Management the "Compensation Discussion and Analysis." Based on its review and discussion with Management, the Compensation Committee recommended to the Board, and the Board approved, the inclusion of the "Compensation Discussion and Analysis" in this Proxy Statement and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Current Compensation Committee

Douglas A. Michels, Chair
Mark A. Buthman
William F. Feehery
Thomas W. Hofmann

Prepared in consultation with and upon review by members of the Compensation Committee from January 1, 2018 to February 19, 2019

Paolo Pucci
John H. Weiland

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Compensation Discussion and Analysis

The 2018 Compensation Discussion and Analysis describes and provides disclosure about the objectives and policies underlying our executive compensation program. It details the compensation for each of our Named Executive Officers ("NEOs") and the factors considered by the Committee when making compensation decisions. The NEOs for 2018 are as follows:

- Eric M. Green, President and Chief Executive Officer;
- Bernard J. Birkett, Senior Vice President, Chief Financial Officer and Treasurer;[1]
- David A. Montecalvo, Senior Vice President, Global Operations and Supply Chain;
- Karen A. Flynn, Senior Vice President and Chief Commercial Officer;
- Silji Abraham, Senior Vice President, Chief Digital and Transformation Officer[2]; and
- William J. Federici, Former Senior Vice President and Chief Financial Officer and Treasurer.[3]

(1) Mr. Birkett was hired on June 21, 2018.

(2) Mr. Abraham was hired on February 26, 2018.

(3) Mr. Federici stepped down as Chief Financial Officer and Treasurer effective June 21, 2018, but remained Senior Vice President, Finance through December 31, 2018.

Executive Summary: 2018 Performance at a Glance

West's long-term business strategy includes growing and expanding our products and services to meet the unique needs of our customer groups, operating with excellence to drive efficient utilization of our global manufacturing footprint and building the capabilities of our team to address current and future business needs. This strategy will drive our long-term financial construct to grow revenue by six to eight percent annually, and achieve improved profitability year-over-year, in turn creating a sustainable business that will meet the needs of our customers, patients, shareholders, and employees. Our five-year Total Shareholder Return ("TSR") was 207%.

Highlights of our 2018 performance include the following:

- Full-year reported net sales of $1.717 billion, which reflects 7.4% growth over the prior year. At constant currency, organic sales growth was 5.6%.

- Full-year 2018 gross profit margin was 31.8%, a 30-basis point decline from the prior year. While the Proprietary Products segment gross profit margin expanded by 80 basis points, Contract-Manufactured Products segment gross profit margin declined by 280 basis points due to unabsorbed overhead from plant consolidation activities, start-up costs associated with the launch of new programs and unfavorable sales mix.

- Full-year 2018 reported-diluted EPS was $2.74, compared to $1.99 last year. Full-year 2018 adjusted-diluted EPS was $2.81, compared to $2.78 in the prior year. Tax benefits from stock-based compensation contributed $0.19 to full-year 2018 reported and adjusted-diluted EPS, compared to $0.44 to full-year 2017 adjusted-diluted EPS.

- Full-year operating cash flow was $288.6 million, representing a 9.6% increase over 2017 operating cash flow of $263.3 million.

- Capital expenditures in 2018 were $104.7 million, a 20% reduction compared to 2017 capital expenditures of $130.8 million.

In 2018, we continued to make strategic investments to drive the future growth for our business:

- $40.3 million investment in research and development, continuing our focus in device development, elastomeric packaging component enhancements and new formulation development

- Capital investments in Waterford, Ireland; Dublin, Ireland; and Puerto Rico

- Launch of an online Knowledge Center and E-Commerce site, to provide scientific insight and detailed technical information and a consumer-grade shopping experience for customers

- Hiring in key geographies with significant growth opportunities, such as China, India, and Ireland.

The foregoing discussion is qualified by the information contained in the performance graph in our 2018 Annual Report on Form 10-K and the "Financial Measures and Adjustments" section beginning on page 41 of this Proxy Statement.

Note: Please refer to page 2 of this Proxy Statement for important information regarding the above graphics.

2018 Committee Actions and Rationale

Reaffirmed West's compensation philosophy of pay-for-performance that aligns executives' incentive compensation with Company performance and stakeholder interests on both a short- and long-term basis, without promoting excessive risk

Further refined the Company's AIP to drive stronger alignment with our business objectives

Revised officer stock ownership requirements requiring officers who have not met their share ownership goals after five years to hold 100% of net shares resulting from any equity award vesting or stock option exercise and have 50% of their annual bonus paid in stock until ownership guideline is met. We also modernized the definition of shares deemed to be beneficially owned.

Eliminated AIP incentive share matching program for officers, effective January 1, 2019

Reaffirmed continuation of the two-comparator group approach used for executive and director pay and pay-for-performance benchmarking

Aligned the effective date of 2018 salary increases for Officers, including the CEO, to March from May (which is the same as all other salaried employees)

Reviewed services and relationship with our Compensation Committee independent consultant (Pay

Governance). Based on that review we renewed their contract for a three-year period ending in 2021

Governance and Compensation

Executive Compensation Philosophy

Our compensation philosophy is to provide competitive executive pay opportunities tied to our short-term and long-term success. This overriding pay-for-performance approach enables us to attract, motivate and retain the type of executive leadership that will help us achieve our strategic objectives and realize increased shareholder value. To achieve these goals, we have adopted the following program objectives:

- Reward achievement of both operating performance and strategic objectives
- Align the interests of West's leaders to those of our investors by varying compensation based on both short-term and long-term business results and delivering a large portion of the total pay opportunity in West stock
- Differentiate rewards based on performance against business objectives to drive a pay-for-performance culture, with a major portion of executive pay based on achievement of financial performance goals
- Promote a balanced incentive focus that does not encourage unnecessary or unreasonable risk-taking
- Be market-competitive to attract and retain highly qualified senior leaders needed to drive a global enterprise

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Best Practices that Support Our Executive Compensation Philosophy

The Compensation Committee oversees the governance, design and administration of our executive compensation programs and evaluates these programs against competitive practices, legal and regulatory developments and corporate governance trends.

We continue to incorporate leading design and governance practices into our compensation programs.

Target TDC at the 50^{th} percentile of our comparator group companies

Provide a majority of compensation through performance-based incentives

Conduct realizable-pay-for-performance analyses of our CEO compensation and use tally sheets to provide additional information on the appropriateness and function of our executive pay

Incorporate a "double-trigger" feature requiring termination of employment, in our CIC agreements, which also do not contain tax gross-ups

Require executive officers to meet West stock ownership guidelines and to take a portion of their annual incentive bonus in West shares until ownership guidelines are met

Cancellation or recovery of incentive compensation based on achievement of specified financial results that are the subject of a subsequent restatement or amounts determined to have been inappropriately received due to fraud, misconduct or gross negligence

Incorporated claw-back provisions on amounts determined to have been inappropriately received due to fraud, misconduct or gross negligence

No hedging, pledging or engaging in any derivatives trading with respect to our common stock

No repricing or exchange of awards without shareholder approval

No individual severance agreements for executive officers other than CEO

No excise tax gross-ups

No guaranteed incentive payouts

No accelerated vesting of equity awards for executive officers

No above-market returns on deferred compensation plans

No executive perks

Engage with an independent consultant to review compensation programs and decisions

Say-on-Pay

Each year, we hold a shareholder "Say-on-Pay" advisory vote to assess the support for the compensation of our NEOs as disclosed in our Proxy Statement. In 2018, our Say-on-Pay proposal received more than 96% support, consistent with each of the previous three years.

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Executive Compensation Program Design

The specific elements of West's executive compensation programs are:

Base Salary	Fair and competitive compensation to attract, retain and reward executive officers by providing a fixed level of cash compensation tied to experience, skills and capability relative to the market	Cash	Annual cash compensation that is not at risk Targeted at the 50th percentile of our compensation comparator groups, with variations based on experience, skills and other factors Reviewed annually with adjustments considered based on level of pay relative to the market, individual and Company performance
Short-Term Annual Incentive	Focuses executives on annual results by rewarding them for achieving key budgeted financial targets Links executives' incentives with those of shareholders by promoting profitable growth Helps retain executives by providing market-competitive compensation	Cash	Annual cash incentive based on achievement of key business metrics: Revenue, EPS, OCF and Gross Profit Annual award payouts may vary from 0% to 150% of the targeted award based on achievement Threshold performance required to achieve payment is 85% of target performance goal
Long-Term Incentive	Aligns executives' interests with those of shareholders by linking	Annual PSU Grant (50% of long-term	

Compensation (100% Equity)	compensation with long-term Company and stock price performance that benefits our employees and shareholders Serves as both an incentive and retention vehicle for executives through multi-year performance share units (PSUs) and stock options Promotes a balance of longer-term risk and reward, without encouraging unnecessary or unreasonable risk taking	incentive compensation award fair market value ("FMV"))	PSUs are settled three years from the grant date based on business results over a three-year performance period PSUs (inclusive of DEUs) are paid in shares of Company common stock upon vesting The number of shares (inclusive of accrued DEUs) that may be earned over the performance period is based on achievement against target of two equally weighted measures CAGR and ROIC and can range from 0% to 200% of the target award Threshold performance required to achieve payment is 70% for each target performance metric
		Annual Nonqualified Stock Option Grant (50% of long-term incentive compensation award FMV)	Annual awards vest in four equal annual installments and expire 10 years from the grant date Option exercise prices are at or exceed the closing price on the date of grant DEUs are not provided on options
		Time-Vesting Restricted Stock Units and Retention Options	Typically, only used to attract talented executives who are foregoing compensation from prior employer Provides a retention tool for new executives, provides an immediate ownership stake in the Company and alignment with shareholders through an incentive to increase the stock value

Retirement	Attracts and retains executives by providing a level of retirement income and retirement savings in a tax-efficient manner	Retirement Plan	Provides retirement income for eligible participants based on years of service and earnings up to U.S. Internal Revenue Code ("Code") limits Provides a defined-benefit plan to pre-2017 hires that transitioned to a cash-balance plan formula in 2007, which was frozen in December 2018 Replaced with a non-elective defined contribution amount to our 401(k) Plan in January 2019
		Supplemental Executive Retirement Plan, "SERP"	Previously provided retirement income, on a nonqualified basis, in excess of Code limits on the same basis as the Retirement Plan Eligibility was frozen for the SERP in 2017 and benefit accrual ceased in 2018
		401(k) Plan	Qualified 401(k) plan that provides participants the opportunity to defer taxation on a portion of their income, up to Code limits, and receive a match of 100% on the first 3% and 50% on the next 2% and, in some cases, a non-elective Company contribution
		Employee Deferred Compensation Plan	

		Extends, on a nonqualified basis, the 401(k) plan deferrals in excess of Code limits on the same terms and permits deferral of AIP and PSU awards
		Executives may elect to defer up to 100% of their annual cash compensation
Other Compensation	Perquisites and Other Benefits	None

Pay Mix

The chart below illustrates the percentage weighting of each compensation vehicle that comprises the 2018 target TDC for the CEO and the average for the other NEOs.

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Factors Used in the Compensation Process

Compensation Committee

The Compensation Committee (or the "Committee" in this section of the Proxy Statement) reviews and approves the compensation elements and the compensation targets for each of our executive officers. The Compensation Committee also makes determinations with respect to the AIP as it relates to our executive officers, including the approval of annual performance goals and subsequent full-year achievement against those goals. It administers all elements of the Company's LTI plan, and approves the benefits offered to executive officers. Compensation decisions for the CEO are reviewed and approved by the full Board of Directors.

The Committee uses its judgment in making decisions about individual compensation elements and total compensation for our NEOs. This judgment is informed by competitive market data but primarily is focused on each NEO's performance against his or her individual performance objectives, as well as the Company's overall financial performance and the financial performance of the function or areas of operational responsibility for each NEO.

In making its decisions, and with guidance from our independent compensation consultant, Pay Governance, the Committee uses several resources and tools, including competitive market information, compensation trends within our comparator groups, where available, and realizable pay versus performance analysis.

The Committee also reviews "tally sheets" for each of our executive officers as one of the tools to help assess the alignment of NEO pay with our performance and compensation philosophy. The tally sheets include salary, equity and non-equity incentive compensation and the value of compensation that would be paid in various termination scenarios. The tally sheets help the Committee to understand the magnitude and interplay of the various components of our compensation programs.

Finally, the Compensation Committee evaluates the Company's compensation programs on an annual basis to ensure that our plans do not induce or encourage excessive risk-taking by participants.

Management

Our CEO and CHRO annually review with the Compensation Committee the performance of each executive officer and recommend to the Committee annual merit salary adjustments and any changes in annual or long-term incentive opportunities or payouts for these officers, except for the CEO. The Committee considers Management's recommendations along with data and recommendations presented by Pay Governance.

The CHRO serves as the liaison between the Compensation Committee and Pay Governance, providing internal data on an as needed basis so that Pay Governance can produce comparative analyses for the Compensation Committee. In addition, the Company's Human Resources, Finance and Legal Departments support the work of the Compensation Committee by providing information, answering questions and responding to various requests of Committee members as required.

Independent Compensation Consultant

The Committee has engaged Pay Governance as its independent consultant to assist the Committee in evaluating the executive compensation program. The consultant provides no services to us other than advice to the Committee on executive compensation matters (including CIC matters) and to our Nominating and Corporate Governance Committee on director compensation. In 2018, the Compensation Committee reaffirmed Pay Governance to be independent from the Company under the applicable NYSE and SEC regulations.

During 2018, Pay Governance performed the following tasks for the Committee:

Provided competitive market data for the compensation of the executive officer group and provided input to the Committee regarding officer pay recommendations (including the CEO)

Prepared analysis of existing compensation and recommendations related to the compensation to be paid to executive officers hired in 2018

Assessed incentive plan performance difficulty and provided related context regarding performance metric selection

Updated the Committee on executive compensation trends and regulatory developments

Prepared a realizable pay analysis for the CEO

Assisted with the Company's review of our comparator groups

Provided input on compensation program design and philosophy

Monitored trends and analysis in executive and equity compensation

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External Benchmarking

In support of our compensation philosophy, we reference the median compensation values of two compensation comparator groups, which we refer to as the "Business Segment Group" and the "Broad Talent Market Group." Data from both the Business Segment Group (which generally is applicable to the CEO and CFO) and Broad Talent Market Group are used to determine competitive pay practices for our CEO and executive officers in a wholistic manner.

The Business Segment Group is composed of public companies with operational and customer characteristics similar to our own business operations. These companies initially are identified by Pay Governance and then approved by the Committee with input from Management based on the following criteria: (1) size (approximately one-half to two times our annual revenues); (2) industry (healthcare equipment/supplies, industrial manufacturing and life sciences tools/services); and (3) operating structure such as:

- Global footprint with multi-plant manufacturing capabilities
- Similar raw materials and products (elastomers, plastics, metals), and similar intellectual property profile
- Similar customer characteristics (complex sales cycle, quality requirements, regulatory requirements)

The Broad Talent Market Group is a larger and broader sampling of size-appropriate companies that participate in the Willis Towers Watson annual executive compensation database. Unlike the Business Segment Group, the Compensation Committee does not select individual members of the Broad Talent Market Group. Companies within the Broad Talent Market Group have annual revenues between 500 million and four billion U.S. Dollars and operate in industries that are similar, but not identical to our own industry. Industries included are: Chemicals and Gases; Electrical and Scientific Equipment and Components; Medical Supplies and Equipment; and, Pharmaceutical and Biotechnology.

Given our size and business portfolio, it is challenging to identify a robust sample of appropriate market compensation peers that fit conventional criteria. Therefore, we believe that using a balance of business and talent market references that reflect companies with which we compete for business and capital, and more broadly, those with which we compete for talent, provides the Committee with decision-quality data and context, and reasonably represents our labor market for executive talent.

Below is a chart that lists each company included in the 2018 Business Segment Group and some key data the Committee considered in making the selection for inclusion. The data below are generally from 2017 public annual reports with respect to each company, with market capitalization data as of December 31, 2018. All amounts are in millions of U.S. Dollars.

Business Segment Group

AptarGroup, Inc. (ATR)	Materials	$	2,469	73%	$	6,427
Catalent Inc (CTLT)	Pharmaceuticals	$	2,075	54%	$	5,948
CONMED Corporation (CNMD)	Healthcare Equipment and Services	$	796	37%	$	2,000
The Cooper Companies, Inc. (COO)	Healthcare Equipment and Services	$	2,139	42%	$	2,002
DENTSPLY SIRONA Inc. (XRAY)	Healthcare Equipment and Services	$	3,993	63%	$	9,565

Edwards Lifesciences Corp (EW)	Healthcare Equipment and Services	$ 2,963	45%	$	37,125
Gerresheimer AG (GXI.DE)	Pharmaceuticals, Biotechnology and Life Sciences	$ 1,406	73%	$	2,379
Haemonetics Corporation (HAE)	Healthcare Equipment and Services	$ 903	43%	$	4,315
IDEXX Laboratories, Inc. (IDXX)	Healthcare Equipment and Services	$ 1,970	20%	$	18,066
Avanos Medical (AVNS)*	Healthcare Equipment and Services	$ 612	23%	$	2,063
Integer Holdings Corp (ITGR)	Healthcare Equipment and Services	$ 1,462	42%	$	2,634
Invacare Corporation (IVC)	Healthcare Equipment and Services	$ 966	56%	$	173
ResMed Inc. (RMD)	Healthcare Equipment and Services	$ 2,066	0%	$	14,073
Steris PLc (STE)	Healthcare Equipment and Services	$ 2,600	26%	$	10,208
Teleflex Inc (TFX)	Healthcare Equipment and Services	$ 2,146	45%	$	12,778
Varian Medical Systems (VAR)	Healthcare Equipment and Services	$ 2,668	51%	$	12,061

*

Halyard Health Inc, (HYH) was part of the Business Segment Group; however, they divested part of their business in 2018 and changed their name to Avanos Medical in July 2018.

Executive Officer Stock Ownership Guidelines

Within five years of appointment, Officers are expected to acquire shares of West common stock with a value equal to the following:

6 times base salary	2 times base salary

In 2018, the Compensation Committee reviewed and updated the ownership guidelines to further clarify and align to market practice. The Committee reviewed peer group guidelines and consulted with Pay Governance to identify market practice. The following illustrates the type of equity holdings that count towards stock ownership requirements:

100% of West shares owned personally or by members of the immediate family sharing the same household	Unvested stock options and PSUs
100% of vested shares of West stock held in a qualified or non-qualified deferred compensation plan	Unexercised, vested stock options
60% of unvested RSUs	Restricted bonus stock subject to matching contribution holding requirements
Unrestricted bonus stock, not a part of matching contributions but subject to matching contribution holding requirements	

Until individual share ownership goals are met, executives will receive 25% of their annual bonus in West stock. If after five years the required share ownership has still not been met, the officer must hold 100% of net shares resulting from any equity award vesting or stock option exercise and will have 50% of their annual bonus paid in stock.

As of December 31, 2018, other than Ms. Flynn and the now-retired Mr. Federici, neither the CEO nor the other NEOs had yet met the holding requirements; however, all are within the five-year attainment period. Mr. Green is targeted to meet the guideline in 2019. Mr. Montecalvo has until 2021 to meet the guidelines, and Mr. Birkett and Mr. Abraham have until 2023.

The Impact of Business Results on our 2018 Incentive Plans

We have designed our compensation programs to align the pay of our senior executives with both short-term and long-term financial results and the performance of our stock. As such, the majority of pay for our CEO and other NEOs is performance-based and is impacted by our financial results and stock price performance. During 2018, 17% of Mr. Green's TDC was variable based on short-term business performance and 66% was based on long-term goals. For our other executives, approximately 23% of their TDC was variable based on short-term business performance and 42% was based on long-term goals

As a result of below target financial performance in 2018, we paid out less than 100% on both our short- and long-term incentive plans.

Our AIP paid out at 93.1% of target for the Corporate plan, and at 93.8% and 87.3% for the Commercial and Global Operations plans, respectively, as our results were slightly behind target for all performance metrics. Specifically, our constant-currency sales growth of 5.6% was lower than our annual growth expectation of between 6% to 8%. Also, the mix of products sold favored our Contract-Manufactured Products segment, which generates a lower profit margin than our Proprietary Products Segment, and ultimately resulted in below target consolidated gross profit and earnings per share.

Our LTI plan is equally based on achieving CAGR on sales and ROIC targets. The payout for the 2016-18 performance period was 49.39% as our CAGR for this period was 6.55% (versus a target of 9.80%) and did not meet the minimum threshold for payout on 50% of the target award. Our ROIC for this performance period was 12.21% versus a target of 12.30%.

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Incentive Compensation: Important Facts about our Incentive Targets

As in previous years, the Compensation Committee evaluates and decides upon the appropriate financial measures using the following principles:

- Alignment with our growth strategy, supporting profitable growth while generating significant cash from operations; and driving long-term value creation for our customers, employees, investors and shareholders
- Provide a clear line of sight to the stated goals of the Company, so that the targets are clearly understood and can be affected by the performance of our executives and employees
- Attainable targets, but with a sufficient degree of "stretch" to support growth
- Consistent with market practice
- Currency neutral on revenue in order to measure the underlying results of the business and help to ensure business leaders are making decisions that drive long-term sustainable growth rather than addressing short-term currency fluctuations or items impacting comparability
- We make limited adjustments to metrics. At times, adjustments may need to be made when calculating results for awards such as for changes in financial accounting reporting regulations and costs and other financial implications associated with corporate transactions.

We continually test the robustness of our incentive targets and performance payout curves. The setting of our performance payout curves considers the following:

- Performance levels necessary to achieve our long-term goals and deliver superior shareholder returns
- The likelihood of achieving various levels of performance based on historical and anticipated future results
- Metrics, program designs and results at companies in our Business Segment Group
- Performance relative to our Business Segment Group and anticipated industry trends

The Compensation Committee annually reviews the target setting process to ensure adherence to our principles. This analysis is aided by a retrospective review of our performance compared to that of our competitors and is performed annually by the Board's independent compensation consultant, Pay Governance.

For 2018, we measured the following key financial metrics:

AIP	Earnings per Share	A comprehensive measure of income and provides an emphasis on profitable growth while focusing managers on expense control
	Consolidated Revenue	Provides a clear line-of-sight target for all members of our executive officer team as we strive to create value by growing our sales
	Operating Cash Flow	Provides a focus on generating cash in the short term to fund operations, research and capital projects and focuses managers on cash generation
	Consolidated Gross Profit	Provides focus on targeting efforts on higher value product growth and improving operating efficiencies in our production facilities
LTI	Compounded Annual Growth Rate	Provides an objective measure of revenue growth
	Return on Invested Capital	Drives efficient and disciplined deployment of capital

Note: All metrics are measured at actual foreign currency exchange ("FX") rates except for Consolidated Revenue, which is measured at budget FX rates to remove the impact of currency fluctuations and allow for a year-to-year comparison.

Our Annual Incentive Compensation

Target Setting

At the beginning of each year, the Compensation Committee and the Board review and approve West's annual business objectives and set the metrics and weightings for the annual incentive program to reflect current business priorities. These objectives translate to targets for West and for each business unit for purposes of determining the target funding of the AIP. Performance against business objectives determines the actual total funding pool for the year, which can vary from 0% to 150% of total target incentives for all executives.

Our reported results may be adjusted when comparing to AIP targets for unusual events outside the control of management including changes in accounting standards, tax regulations and currency devaluations. We may also exclude certain transactions such as material acquisition or disposition costs including restructuring charges particularly if these items were not included in the performance target. All adjustments are reviewed with and approved by the Compensation Committee. For 2018, the adjustments made were:

- Revenue is reflected at budgeted foreign currency exchange rates
- EPS excludes $0.08 for restructuring and related charges, $0.02 for the Argentina currency devaluation charge, and a ($0.03) net tax benefit due to the impact of tax law changes
- EPS also excludes an unbudgeted tax benefit of $0.19 on stock compensation and $0.12 for the unbudgeted favorable impact of tax rate reduction associated with the U.S. Tax Cuts and Jobs Act of 2017 signed into law on December 22, 2017 (the "2017 Tax Act")

Target Awards

The target annual incentive awards for our NEOs are set as a percentage of base salary. Target awards are reviewed annually to ensure alignment with our compensation philosophy to target each compensation element and TDC at the market median. Variances from this goal are based on an evaluation of competitive market data, internal equity considerations and individual performance. Our payout curve is structured to reflect our philosophy that Management should be rewarded for meeting or exceeding goals and payouts diminish or are withheld when targets are missed.

The formula to determine each NEO's AIP total potential payment is as follows:

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COMPENSATION DISCUSSION AND ANALYSIS

The payout factor is a pre-established multiplier that corresponds, on a sliding scale, to the achievement percentage of the AIP target objective so that if actual performance is less than target, the multiplier decreases on a sliding scale based on the achievement percentage and is based on the following chart:

<85%	0
85%	50.0%
95%	83.3%
100%	100.0%
105%	116.7%
110%	133.3%
≥115%	150.0%

Achievement that falls between any two achievement percentages is straight-line interpolated. The Compensation Committee has discretion to positively or negatively adjust payout to account for exceptional circumstances.

The Compensation Committee reviews the AIP scoring and adjustments made and approves the AIP funding level.

2018 earned incentives for each of our NEOs is shown below:

Corporate	Eric M. Green	Consolidated Revenue	20.0%	$ 1,726.1	$ 1,701.3	98.6%	95.3%	93.1%
	Bernard J. Birkett	EPS	60.0%	$ 2.57	$ 2.50	97.3%	91.0%	
	William J. Federici	Operating Cash Flow	20.0%	$ 293.1	$ 290.8	99.2%	97.3%	
	Silji Abraham							
Commercial Global	Karen A. Flynn	Consolidated Revenue	50.0%	$ 1,726.1	$ 1,701.3	98.6%	95.3%	93.8%
		EPS	40.0%	$ 2.57	$ 2.50	97.3%	91.0%	
		Operating Cash Flow	10.0%	$ 293.1	$ 290.8	99.2%	97.3%	
Global Operations	David A. Montecalvo	Consolidated Gross Profit	40.0%	$ 584.5	$ 545.4	93.3%	77.6%	87.3%
		Consolidated Revenue	10.0%	$ 1,726.1	$ 1,701.3	98.6%	95.3%	
		EPS	30.0%	$ 2.57	$ 2.50	97.3%	91.0%	
		Operating Cash Flow	20.0%	$ 293.1	$ 290.8	99.2%	97.3%	

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Financial Measures and Adjustments

EPS growth for AIP purposes differs from the EPS reported in our Earnings Release under U.S. GAAP and is best explained by reconciling the results used for calculating AIP payments to U.S. GAAP and the Earnings Release. A reconciliation of the financial measures used for the AIP to our Earnings Release financials allows for a meaningful comparison. The following table contains unaudited reconciliations of 2018 U.S. GAAP Consolidated Revenues, OCF and Reported Diluted EPS to Adjusted Revenue, Adjusted OCF, and Adjusted Diluted EPS for AIP purposes relating to the 2018 AIP Performance Metrics and Achievement Table above. There were no other adjustments.

2018 Consolidated Performance

Reported Diluted EPS[(1)]	$	2.74
Restructuring and related charges		0.08
Argentina currency devaluation charge		0.02
Tax law changes		(0.03)
Adjusted Diluted EPS per Earnings Release	**$**	**2.81**
Tax Benefit Stock Compensation[(2)]		(0.19)
Tax rate reduction[(2)]		(0.12)
Adjusted Diluted EPS for AIP purposes	**$**	**2.50**
Operating Cash Flow (in millions)	$	288.6
Restructuring & related charges		2.2
Adjusted OCF for AIP purposes	**$**	**290.8**
Consolidated Revenue (in millions)	$	1,717.4
Foreign-exchange impact vs. budget		(16.1)
Adjusted Revenue for AIP purposes	**$**	**1,701.3**

(1) A full discussion of components of Adjusted Diluted EPS is found in our fourth-quarter and full-year 2018 earnings press release filed on Form 8-K with the SEC on February 14, 2019.

(2) These items were not included in the budgeted EPS target and are deducted for purposes of comparing actual results to our performance targets for the AIP.

Our Long-Term Equity Incentive Compensation

Target Setting

The targets for West's PSUs are set at the beginning of each three-year performance period, taking into account West's financial model shared with investors and the annual budget as approved by the Board. At the end of the three-year period, the score is calculated based on results against the predetermined targets equally weighted. We use CAGR and ROIC as our performance measures for determining PSU payouts. Each metric is weighted equally because we believe CAGR and ROIC are equally important in creating shareholder value over the long-term.

The metrics, goals and weightings for the performance period 2018 2020 are:

2018 20 PSU Performance Period Targets

CAGR	4.90%	7.00%	10.50%
ROIC	9.45%	13.5%	20.25%

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Target Awards

LTI compensation opportunities for our executives, including the NEOs, are entirely equity-based. Each NEO's annual target award is split into two equal amounts, which are then used to determine the number of stock options and PSUs awarded to the executive. The value of each stock option is determined under the Black-Scholes valuation method. The value of each PSU is determined by our stock price at the grant date. The actual or realized value of these awards in future years will vary from this target amount based on share price, ROIC and CAGR performance over time. Please refer to Note 13 of our annual report on Form 10-K for a complete discussion of our stock-based compensation.

The use of stock options is intended to align our executives' longer-term interests with those of our shareholders because options deliver value to the executive only when and to the extent that share price exceeds the exercise price of the option. Therefore, options provide a strong performance-based link between shareholder value and executive pay.

PSUs entitle the recipient to receive common shares based on achievement of three-year CAGR and ROIC targets.

The value of each NEO's long-term grant is determined by the Committee based on its review of peer-group market data, the executive's role and responsibilities, his or her impact on our results, advancement potential, retention considerations and, in principle, is targeted to the market median.

Performance Share Units

The number of shares earned under the PSUs is based on achievement of CAGR and ROIC targets. Each PSU award agreement contains a target payout for the recipient. The number of shares an executive earns at the end of a performance period is calculated by multiplying the target number of PSUs awarded at the beginning of the period times the applicable "payout factor" for each performance metric by the weighting for that performance metric.

<70%	0
70%	50%
85%	75%
100%	100%
110%	120%
125%	150%
≥150%	200%

The Compensation Committee approves the determination of actual achievement relative to pre-established targets and the number of PSUs is adjusted up or down from 0% to 200% based on the approved actual achievement. The Committee reserves the right to negatively or positively adjust payouts under exceptional circumstances.

Equity Award Grant Practices

Under the Committee's equity-based awards policy and procedures, equity awards to NEOs normally are made once per year. The Company's policy on equity grants contains rules on determining (1) the grant date of equity awards (at least two business days following the release of our annual results for the preceding fiscal year) and (2) the exercise price of stock options granted by the Committee (which must be at least equal to the closing price of our stock on the grant date).

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2018 Compensation Decisions

In the first quarter of each year, the Compensation Committee meets to determine CEO and Executive Officers' pay decisions for base salary, AIP and LTI award grants reflecting both prior year performance and appropriate positioning versus the representative peer group(s).

2018 Compensation Decisions for our CEO

Our compensation strategy supports West's business imperatives. It is designed to ensure:

- That executives balance short-term objectives against long-term priorities
- Alignment with stockholder interests
- The Company is able to attract and retain the leadership needed to deliver strong results

Pay decisions were made in the context of our financial performance relative to our goals while also taking into account (1) the organizational transformation made in 2016 from a regional, product-led management approach to a market-led globally integrated enterprise, and (2) the steps taken to strengthen West's position for the future.

The Chair of the Compensation Committee works directly with the Committee's Compensation Consultant to provide a decision-making framework for use by the Committee in determining incentive plan payouts and setting target compensation opportunities for the CEO. This framework considers, among other things:

- Assessment of the CEO's performance against objectives in the prior year, both qualitative and quantitative
- Progress against strategic objectives
- West's total performance over a multi-year period
- Competitive benchmark analysis, and other relevant information

2018 Performance Highlights

Continued the transformation of the Company to operate as a market-led organization, and spearheaded the globalization of the Company's operations

Delivered full-year 2018 reported net sales of $1.72 billion, representing growth of 7.4% over the prior year and constant-currency organic sales growth of 5.6%; and full-year 2018 adjusted-diluted EPS of $2.81, compared to $2.78 in the prior year

Expanded operating cash flow to $288.6 million, representing a 9.6% increase over 2017 operating cash flow of $263.3 million.

Reduced capital expenditures in 2018 to $104.7 million, a 20% reduction compared to 2017

Drove geographic expansion in emerging markets with >15% growth in Asia Pacific

Continued build-out of leadership team to support the growth of enterprise and infused new executive talent throughout the Company

2018 Compensation Decisions

Base Salary: The Compensation Committee approved an increase in salary from $850,000 to $885,000 (4.1% increase) based upon business performance, targeted market-pay positioning, and the external market data on competitive pay levels provided by Pay Governance.

AIP Target Opportunity: 105%, flat from 2017, representing target opportunity of $929,250, which was found to be market-competitive.

2018 AIP Payout (paid in February 2019): $865,132 representing 93.1% of target. No individual performance adjustment applied. The payout level considered significant progress in the implementation of West's enterprise strategic plan, positive financial performance, and his leadership in continuing optimization of the West's manufacturing facilities. In addition, the Board noted significant personal leadership of the CEO in attracting new executive talent into the Company, developing next generation leaders, and for setting the standards for workplace diversity and inclusion.

LTI Award for 2018 20 Performance Period: $3,500,000 grant date fair value, split 50% stock options and 50% PSUs.

For 2018, at target, 83% of Mr. Green's pay was at risk and subject to attainment of specific performance goals. With these changes, Mr. Green's annual TDC opportunity increased 12.1%, from $4,742,500 in 2017 to $5,314,250 in 2018, but remained slightly below market median of the peer group.

2018 NEO Compensation Decisions

The Compensation Committee also approved the compensation recommendations put forward by the CEO for the following NEOs, noting overall performance against business objectives in the year, both qualitative and quantitative. The compensation level of each NEO was reviewed based on the representative peer group and the external survey data. Based on the Committee's targeted pay positioning, the evaluation of each NEO's performance, and the external market data on competitive pay levels provided by Pay Governance, the Committee made the following decisions.

2018 Performance Highlights

Engaged with analysts and investors, including presentations at five major investor conferences and developed a proactive relationship with Audit Committee, Finance Committee and Board

Led plan to change our pension plan investment strategy resulting in less future exposure to market fluctuations

Made improvements to our financial planning and analysis capabilities and updated internal succession plans including recruitment of key positions to better support the business

Implemented tax strategies resulting in a reduction of our effective tax rate

Drove implementation of new revenue recognition rules effective in 2018 and made substantial progress on implementing new lease accounting rules effective in 2019

2018 Compensation Decisions

Base Salary: $550,000

AIP Target Opportunity: 70% of base salary, prorated based on Mr. Birkett's period of employment in 2018

2018 AIP Payout (paid in February 2019): $190,511, representing 93.1% of target when accounting for proration

LTI Award for 2018 20 Performance Period: $625,000 grant date fair value, split 50% stock options and 50% PSUs as provided to other recently hired officers and required to off-set loss of equity from previous employer

Retention Equity: One-time retention equity of $1,000,000 grant date fair value RSU award with 4-year pro rata annual vesting through June 2022

Sign-on Bonus: $390,000 in cash, subject to a two-year repayment obligation, pursuant to which if Mr. Birkett terminates his employment with the Company for any reason other than a constructive termination (and in the absence of death or any disability), or if we terminate Mr. Birkett's employment with cause, all as defined in his employment agreement, on or prior to the second anniversary of the start date (June 21, 2018), then Mr. Birkett agrees to fully repay the sign-on bonus paid by us.

Mr. Birkett's target compensation for base salary, bonus and LTI was set using the Compensation Committee's standard approach with focus on market-competitiveness, attraction and internal equity considerations. In addition to those elements, additional compensation was provided to address loss of annual bonus and outstanding equity at his former employer, to address the change from ex-patriate status to local hire and to motivate and attract him to the opportunity.

For 2018, at target, 67% of Mr. Birkett's pay was at risk and subject to attainment of specific performance goals.

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2018 Performance Highlights

Developed and executed the Global operations strategy, which has resulted in a in significant improvements in safety, quality, and on-time delivery

Exceeded cost down objective, driven by efficiencies from key strategic initiatives which drove gross margin expansion in our Proprietary Products Segment

Implemented Global supply chain initiatives which optimized worldwide inventories, established a supplier excellence program with key customers, and lowered costs by executing a procurement strategy

Established and Implemented a "One West" Business system in Global Operations. Key areas of implementation were (1) global asset utilization supporting reduction of cash outlay for capital expenditures; (2) Maturity modeling across the plants with continuous improvement metrics and (3) Global Lean training systems across the enterprise

2018 Compensation Decisions

Base Salary: 6.0% increase, raising base to $405,000 from $382,000

AIP Target Opportunity: 65% of base salary, reflecting a 5% increase from 2017, representing a target opportunity of $263,250

2018 AIP Payout (paid in February 2019): $264,290 representing 87.3% business unit performance and a 115% individual performance adjustment, which reflects Mr. Montecalvo's success in driving efficiency and gross margin expansion in our Proprietary Products segment as well as implementing higher levels of automation throughout our Proprietary Products segment manufacturing operations and developing a foundation for next generation manufacturing technology

LTI Award for the 2018 20 Performance Period: $400,000 grant date fair value award flat from 2017 and split 50% stock options and 50% PSUs. In addition, Mr. Montecalvo received a one-time $400,000 grant date fair value retention LTI award, granted in the same form as his annual grant.

All adjustments to compensation were based in part on the business performance and increased responsibilities due to the consolidation of all operations (Innovation & Technology and Contract Manufacturing Operations) along with the transfer of Global Procurement from Finance to Global Operations.

For 2018, at target, 62% of Mr. Montecalvo's pay was at risk and subject to attainment of specific performance goals.

2018 Performance Highlights

Achieved constant-currency organic sales growth of 5.6%, led by double-digit growth in the Contract-Manufactured Products segment and high-single digit growth in the Generics market unit. Proprietary Products segment growth was below our targeted expectations.

Continued market penetration, with customers selecting important new high-value products including AccelTRA™ and NovaPure® elastomer components, the SelfDose® patient-controlled injection device, and Daikyo Crystal Zenith® containment systems. West high value product components sales grew high single digits

Expanded West's full-service offerings, with the introduction of West's Integrated Solutions Program, which includes West's full breadth of services to support customers in their development of new drug products

Continued to make it easier for customers to do business with West through a multi-functional customer satisfaction improvement program, including the advancement of digital customer engagement initiatives and the launch of West's online knowledge center

2018 Compensation Decisions

Base Salary: 3.1% increase, raising base to $495,000 from $480,000

AIP Target Opportunity: 70% of base salary, flat from 2017, representing target opportunity of $346,500

2018 AIP Payout (paid in February 2019): $260,014 representing 93.8% business unit performance and an 80% individual performance adjustment due to underperformance as compared to target in revenue and gross profit

LTI Award for 2018 20 Performance Period: $700,000 grant date fair value, flat from 2017 and split 50% stock options and 50% PSUs

For 2018, at target, 68% of Ms. Flynn's pay was at risk and subject to attainment of specific performance goals.

2018 Performance Highlights

Developed a comprehensive strategy for the digitalization of West

Restructured the Digital and Transformation organization, optimized cost structure and built depth in software engineering talent to enable the future digitization journey

Established West's first Digital Technology Center in Bangalore to undertake the digitization across internal and external experiences and product platforms in a sustainable manner

Successfully launched West's first e-commerce platform utilizing agile implementation methodology as the foundation of future digital experience for customers

Developed a comprehensive cybersecurity monitoring and information protection framework across the organization

2018 Compensation Decisions

Base Salary: $410,000

AIP Target Opportunity: 65% of base salary, prorated based on Mr. Abraham's period of employment in 2018

2018 AIP Payout (paid in February 2019): $241,552, representing 93.1% of target when accounting for proration and adjusted 115% to reflect performance during the year. The adjustment reflects Mr. Abraham's success in quickly developing and executing a strategy for the digitalization of West during his short tenure and significantly reducing the function's operating expense.

LTI Award for the 2018 20 Performance Period: $400,000, split 50% stock options and 50% PSUs as provided to other recently hired officers and required to off-set loss of equity from previous employer.

Sign-on RSU Award: One-time $400,000 grant date fair value RSU with 3-year pro rata annual vesting through February 2021.

Mr. Abraham's target compensation for base salary, bonus and LTI was set using the Compensation Committee's standard approach with focus on market-competitiveness, attraction and internal equity considerations. In addition to those elements, additional compensation was provided to motivate and attract Mr. Abraham to join West.

For 2018, at target, 62% of Mr. Abraham's pay was at risk and subject to attainment of specific performance goals.

2018 Performance Highlights

On June 21, 2018, Mr. Federici stepped down as CFO and announced his retirement from West effective as of December 31, 2018. As of that date, Mr. Federici moved to an advisory role assisting the CEO and ensuring a successful transition of his duties to the new CFO, Mr. Birkett. In addition, Mr. Federici elected to participate in West's Transition Retirement Program that is afforded to all U.S.-based employees, effective from October 2, 2018 until December 31, 2018.

2018 Compensation Decisions

Base Salary: No increase was provided to Mr. Federici in 2018 as his base salary was deemed competitive against our peer groups and his retirement was expected during 2018.

AIP Target Opportunity: 70% of base salary, flat from 2017, representing target opportunity of $365,175 based on his participation in the transition to retirement program

2018 AIP Payout (paid in February 2019): $339,978, based on 93.1% corporate performance

LTI Award for the Period of 2018 20: Flat at $700,000 grant date fair value split 50% stock options and 50% PSUs.

Given Mr. Federici's qualifying retirement from West and per the terms of our retirement plan, Mr. Federici maintains the full vesting terms of all previous vested awards and unvested awards continue to vest as per the terms of the award agreement. With Mr. Federici's retirement, his CIC Agreement, which was our last agreement with a single-trigger and a gross-up provision, terminated by its terms.

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Other Compensation Practices

Post-Employment Compensation Arrangements

During 2018, NEOs hired on or before January 1, 2017 (Mr. Green, Ms. Flynn, Mr. Montecalvo and Mr. Federici) participated in our defined benefit retirement plan and all NEOs were eligible to participate in our defined contribution retirement plan for all employees. In addition to the standard benefits available to all eligible employees, we maintain nonqualified retirement plans in which these executives participate in the same capacity as eligible salaried employees.

All tax-qualified defined benefit plans have a maximum compensation limit and a maximum annual benefit, which limits the benefit to participants whose compensation exceeds these limits. The nonqualified retirement plans offered by the Company provide benefits to key salaried employees, including each NEO, using the same benefit formulas as the tax-qualified plans but without regard to the compensation limits and maximum benefit accruals for tax-qualified plans.

We also provide our NEOs with benefits upon termination in various circumstances, as described under "Estimated Payments Following Termination" and "Payments on Termination in Connection with a Change-in-Control" sections below.

We believe that our existing arrangements help executives remain focused on our business in the event of a threat or occurrence of a CIC and encourage them to act in the best interests of the shareholders in assessing and implementing a transaction. With regard to Mr. Green's severance arrangement, we believe severance pay is necessary to attract and retain a quality CEO candidate and that the benefits of securing a release of claims, cooperation and non-disparagement provision from Mr. Green upon an involuntary termination are significant.

Beginning with agreements entered into after 2010, the Company eliminated excise tax gross-ups and single-triggers under these types of agreements. With Mr. Federici's retirement, no remaining current agreement includes an excise tax gross-up or permits payment in the event of voluntary termination without good reason. All current agreements include a cutback in payments and benefits if the NEO would be in a more favorable after-tax position and no benefits upon a voluntary resignation that is not due to "good reason."

Mr. Green has a separate employment agreement that contains many similar provisions to the CIC, but also includes other terms and conditions that resulted from negotiations relating to compensation and termination.

The terms and conditions of all these agreements are described in more detail in the Compensation Tables section of this Proxy Statement.

Personal Benefits

The benefits provided to our NEOs are generally the same as or consistent with those provided to our other salaried employees.

Retention Cash

Occasionally, the Committee pays signing and retention bonuses in cash. These bonuses may have repayment obligations. The primary purpose of these payments is to replace equity or cash payments a new officer will forfeit from his/her former employer upon joining West.

Realizable Pay Analysis

The Committee works with Pay Governance to review pay granted and realizable by the CEO in the context of West's performance. Realizable pay is calculated using actual bonuses earned, end of period stock values and in-the-money value of stock options granted during the year. It takes a retrospective look at pay versus performance. The analysis showed that there was a high correlation between the realizable pay earned by our CEO and the Company's performance as measured by TSR, CAGR, ROIC and similar financial metrics compared to other members in our Business Segment Group. The Committee determined this analysis is consistent with its pay-for-performance philosophy and that our incentive plans are operating as intended.

Risk Considerations in Our Compensation Programs

The Committee has reviewed our compensation policies and practices for our officers and employees and concluded that any risks arising from these policies and programs are not reasonably likely to have a material adverse effect on the Company. The Committee believes that the mix and design of the elements of our compensation program are appropriate and encourage executive officers and key employees to strive to achieve goals that benefit the Company and our shareholders over the long term.

Our compensation policies and procedures are applied uniformly to all eligible participants. By targeting both company-wide and business-unit performance goals in our annual bonus plans and long-term compensation, we believe we have allocated our compensation between base salary and short- and long-term target opportunities in a way that does not encourage excessive risk-taking by our employees.

Policy on Hedging and Pledging

We prohibit directors, officers and employees from engaging in hedging or monetization transactions, such as zero-cost collars and forward sale contracts, which would allow them to continue to own our common stock, but without the full risks and rewards of ownership. We also prohibit directors, NEOs and other senior employees from engaging in pledging, short sales or other short-position transactions in our common stock.

Impact of Tax and Accounting Treatment

The Compensation Committee selects compensation vehicles that will, in its view, create the best link between pay and performance. Generally, the accounting and tax treatments of executive compensation has not been a significant factor in the Compensation Committee's decisions regarding the amounts or types of compensation paid. Our programs have been designed, where appropriate and consistent with our compensatory goals to maximize deductibility under applicable tax law. The Committee also considers the impact of changes to accounting regulations and tax law, such as the Tax Cut and Jobs Act of 2017, when reviewing elements of compensation, including equity and other performance-based awards.

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Compensation Tables

The following tables, narrative and footnotes discuss the compensation of the NEOs during 2018.

2018 Summary Compensation Table

	2018	879,615	-	1,776,454	1,750,014	865,132	64,977	4
f Executive	2017	824,038	-	1,526,814	1,500,071	748,808	95,660	6
	2016	749,039	-	1,026,285	1,000,020	738,575	70,066	6
ett(3)	2018	279,231	390,000	1,312,465	312,529	190,511	-	31
e								
calvo	2018	401,461	-	407,135	400,037	264,290	30,296	1
ations	2017	377,846	-	202,251	199,923	166,399	27,403	14
	2018	492,692	-	350,044	350,003	260,014	16,029	2
	2017	469,615	-	500,069	499,952	281,904	112,801	3
cer	2016	439,881	-	350,027	350,005	309,960	91,642	2
)	2018	339,038	68,333	599,972	199,985	241,552	-	4
ital								
n Officer								
rici(5)	2018	491,062	-	350,044	350,003	339,978	89,626	2
O	2017	535,462	-	349,990	350,045	340,424	270,150	3
	2016	517,264	-	350,027	350,005	375,244	249,457	2

(1) These amounts represent a sign-on cash bonus paid to Mr. Birkett upon hire and a lump-sum relocation allowance for Mr. Abraham.

(2) These amounts are an estimate of the increase in actuarial present value of each of our NEO's age 65 accrued benefit under our retirement plans for 2018. Amounts are payable only when a participant's employment terminates, and may be reduced if benefits are commenced prior to age 65. Assumptions underlying the estimates are described under the 2018 Pension Benefits Table.

(3) Reflects partial year of compensation based on Mr. Birkett's hire date of June 21, 2018.

(4) Reflects partial year of compensation based on Mr. Abraham's hire date of February 26, 2018.

(5) Mr. Federici stepped down as Chief Financial Officer and Treasurer effective June 21, 2018, but remained Senior Vice President, Finance through December 31, 2018.

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Stock Awards

Stock Awards Grant Date Fair Value (Target) 2016-18

Eric M. Green	1,750,042	26,412		1,500,039	26,774	999,984	26,301
Bernard J. Birkett	312,549		999,915				
David A. Montecalvo	399,974	7,161		200,078	2,173		
Karen A. Flynn	350,044			500,069		350,027	
Silji Abraham	199,991		399,981				
William J. Federici	350,044			349,990		350,027	

PSU and Incentive Share terms and conditions are described in the "Compensation Discussion and Analysis" section of this Proxy Statement. Each share is valued as of the grant date. The table below shows the maximum payout for PSU awards made in 2018, 2017 and 2016.

Stock Awards PSU Grant Date Maximum Value 2016-18

Eric M. Green	3,500,083	3,000,078	1,999,968
Bernard J. Birkett	625,098		
David A. Montecalvo	799,947	400,155	
Karen A. Flynn	700,088	1,000,138	700,010
Silji Abraham	399,981		
William J. Federici	700,088	699,979	700,010

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Option Awards

The amounts in the "Option Awards" column reflect the grant date fair value in each year, computed according to FASB ASC Topic 718. We use the Black-Scholes option pricing model to calculate grant date fair value based on the following assumptions for the named recipients:

Option Awards FASB ASC Topic 718

Expected Life (Years)	5.6	5.6	5.6	5.9	5.9	5.9
Rick-Free Interest Rate	2.63%	2.64%	2.68%	2.05%	1.25%	1.35%
Dividend Yield	0.89%	0.74%	0.71%	0.72%	0.70%	0.94%
Expected Volatility	20.71%	19.69%	19.69%	19.90%	19.60%	20.40%
Black-Scholes Value	$22.51	$19.01	$19.95	$17.94	$13.89	$11.53
Recipients	*Birkett*	*Abraham*	*Green Federici Flynn Montecalvo*	*Green Federici Flynn Montecalvo*	*Montecalvo*	*Green Federici Flynn*

For a more detailed discussion of the assumptions used to calculate grant date fair value for our options, refer to Note 13 to the consolidated financial statements included in our 2018 Annual Report.

Non-Equity Incentive Plan Compensation

The amounts in the "Non-Equity Incentive Plan Compensation" column are AIP awards made with respect to 2018 performance. AIP awards are paid in cash, except participants may elect to have up to 100% paid in Company common stock on a pre-tax or after-tax basis.

Mr. Green, Ms. Flynn and Mr. Federici each had their awards paid in cash.

Mr. Birkett, Mr. Montecalvo and Mr. Abraham all elected to receive 25% of their after-tax bonus award in stock. The table below details the shares granted as of March 1, 2019 based on a per-share grant price of $106.14.

The values of these shares are not included in this column, but will be included in our 2020 Proxy Statement in the "Stock Awards" column, and, if deferred, will also be reflected in next year's "Nonqualified Deferred Compensation Table."

Bernard J. Birkett	308	$32,691	77	$8,173
David A. Montecalvo	421	$44,685	105	$11,145
Silji Abraham	382	$40,545	95	$10,083

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All Other Compensation

The amounts in the "All Other Compensation" column consist of: (1) for all NEOs, the total of the Company matching contributions made in 2018 on cash deferrals to the Employee Deferred Compensation Plan and 401(k) plan; (2) Company-paid life insurance premiums; (3) DEUs credited in 2018 on unearned PSUs (assuming a 100% performance level) and unvested time-vesting restricted stock or RSUs, whether or not those awards have been deferred; (4) tax gross-up related to the value of a retirement gift and relocation expenses; (5) the value of the retirement gift; and (6) reimbursement of relocation expenses.

The table below shows a breakdown of the total amount shown in the "All Other Compensation" column of the 2018 Summary Compensation Table.

Components of All Other Compensation 2018

Eric M. Green	11,000	504	31,117	0	0	0	42,621
Bernard J. Birkett	6,981	252	3,360	132,325	0	176,142	319,060
David A. Montecalvo	10,833	385	5,174	0	0	0	16,392
Karen A. Flynn	19,708	484	8,254	0	0	0	28,446
Silji Abraham	13,246	318	2,901	10,185	0	15,990	42,640
William J. Federici	11,000	504	7,253	2,641	3,199	0	24,597

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2018 Grants of Plan-Based Awards Table

The following table provides information on stock options and PSUs granted to our NEOs in 2018.

Eric M. Green	2/20/2018 464,625 / 929,250	1,393,875		
	2/20/2018		9,632 / 17,923,046	1,750,042
	2/20/2018		284	26,412
	2/20/2018		87,796 / 1,826,014	
Bernard J. Birkett	6/21/2018 192,500 / 385,000	577,500		
	6/21/2018		3,067 / 1,540,194	312,549
	6/21/2018		9,908	999,915
	6/21/2018		13,804 / 882,529	
David A. Montecalvo	2/20/2018 132,625 / 206,250			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

April 30, 2003, 2002, and 2001

(13) Financial Statements and Supplementary Data (Unaudited)

The following schedule represents results for each quarter in the years ended April 30, 2003 and 2002 (in thousands, except per share amounts):

Total revenue	Operating income	Net earnings	Diluted earnings per share

Quarter ended:				
July 31, 2002	$ 14,558	$ 778	$ 1,450	$ 0.06
October 31, 2002	14,790	1,156	2,026	0.09
January 31, 2003	14,934	1,001	1,661	0.07
April 30, 2003	15,020	1,587	2,449	0.11
Year ended April 30, 2003	$ 59,302	$ 4,522	$ 7,586	$ 0.33
Quarter ended:				
July 31, 2001	$ 17,921	$ 1,881	$ 1,109	$ 0.05
October 31, 2001	15,426	876	1,132	0.05
January 31, 2002	14,993	1,104	1,126	0.05
April 30, 2002	16,290	1,287	15,334	0.67
Year ended April 30, 2002	$ 64,630	$ 5,148	$ 18,701	$ 0.82

(14) Subsequent Event

On July 9, 2003, the Board of Directors declared a cash dividend of $0.06 per share for Class A and Class B common shareholders of record as of August 20, 2003 payable on September 19, 2003.

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Independent Auditors Report

The Board of Directors and Shareholders

American Software, Inc.:

We have audited the accompanying consolidated balance sheets of American Software, Inc. and subsidiaries as of April 30, 2003 and 2002, and the related consolidated statements of operations, shareholders equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended April 30, 2003. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Software, Inc. and subsidiaries as of April 30, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three-year period ended April 30, 2003 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the consolidated financial statements, effective May 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets.

/s/ KPMG LLP

Atlanta, Georgia

June 6, 2003, except as to note 14, which is as of July 9, 2003

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The directors and executive officers of the Company are:

Name	Age	Position
James C. Edenfield	68	President, Chief Executive Officer, Treasurer and Director; Chairman of the Board of Directors of Logility, Inc.
Thomas L. Newberry	70	Chairman of the Board of Directors
J. Michael Edenfield	45	Director, Executive Vice President; President and Director of Logility, Inc.
David H. Gambrell	73	Director
Dennis Hogue	50	Director
John J. Jarvis	61	Director
James B. Miller Jr	63	Director
Thomas L. Newberry, V	36	Director
Jeffrey W. Coombs	51	Executive Vice President of American Software USA, Inc.
Vincent C. Klinges	40	Chief Financial Officer
James R. McGuone	56	Secretary

All directors hold office until the next annual meeting of the shareholders of the Company. Executive officers of the Company are elected annually and serve at the pleasure of the Board of Directors.

Mr. James C. Edenfield is one of our co-founders and has served as our Chief Executive Officer since November 1989, and as Co-Chief Executive Officer for more than five years prior to that time. He has been a Director since 1971. Prior to founding American Software, Mr. Edenfield held several executive positions and was a director of Management Science America, Inc., an applications software development and sales company. He holds a Bachelor of Industrial Engineering degree from the Georgia Institute of Technology. Mr. Edenfield also serves as Chairman of the Board of Directors of Logility, Inc., our majority owned subsidiary.

Dr. Newberry is one of our co-founders and has served as our Chairman of the Board since November 1989, and was Co-Chief Executive Officer prior to that for more than five years. He has been a Director since 1971. Prior to founding American Software, he held executive positions with several companies engaged in computer systems analysis and software development and sales including Management Science America, Inc., where he was also a director. Dr. Newberry holds Bachelor, Master of Science, and Ph.D. degrees in Industrial Engineering from the Georgia Institute of Technology.

Mr. J. Michael Edenfield was elected as a Director of American Software on June 1, 2001. He has served as our Executive Vice President since June 1994. In January 1997, Mr. Edenfield was elected to President of Logility, Inc., a majority owned subsidiary of ours. Mr. Edenfield also serves as director of Logility, Inc. From June 1994 to October 1997, he served as Chief Operating Officer of the Company. Prior to holding that position, he served as Senior Vice President of North American Sales and Marketing of American Software USA, Inc. from July 1993 to June 1994, as Senior Vice President of North American Sales from August 1992 to July 1993, as Group Vice President from May 1991 to August 1992 and as Regional Vice President from May 1987 to May 1991. Mr. Edenfield holds a Bachelor of Industrial Management degree from the Georgia Institute of Technology. Mr. Edenfield is the son of James C. Edenfield, our Chief Executive Officer.

Mr. Gambrell has served as a Director of American Software since January 1983. He has been a practicing attorney since 1952, and is a partner with the law firm of Gambrell & Stolz, L.L.P., counsel to us. He served as a member of the United States Senate from the State of Georgia in 1971 and 1972. Mr. Gambrell holds a Bachelor of Science degree from Davidson College and a J.D. degree from the Harvard Law School.

Mr. Hogue became Chief Executive Officer of Datatrac Corporation in July 2003. Datatrac is a software developer and wireless communications provider for the expedited delivery industry. Previously, he served as Chief Executive Officer and President of

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Mercari Technologies from April 2002 to June 2003. Prior to joining Mercari Technologies, he served as Chief Executive Officer of Global Food Exchange from January 2001 to March 2002. Prior to joining Global Food Exchange, Mr. Hogue served as President and Chief Executive Officer of E3. Mr. Hogue served as Vice President of Sales of that company from November 1996 until April 1997 and President of North America for E3 from April 1997 to December 1999. He earned a Bachelor of Science degree in Psychology from Florida State University in 1974.

Dr. Jarvis was elected as a Director of American Software on June 1, 2001. He is currently Executive Director of The Logistics Institute Asia Pacific, which is a collaboration between the National University of Singapore and the Georgia Institute of Technology. From 1990 to 2001, he was Chair of the School of Industrial and Systems Engineering at the Georgia Institute of Technology, where he has been a member of the faculty since 1968. Dr. Jarvis was co-founder of CAPS Logistics, Inc., a provider of software and consulting services in logistics, which was acquired by Baan NV in 1998. Dr. Jarvis has served as President of the Institute of Industrial Engineers (IIE), President of TIMS and Secretary of ORSA. He has served on the Councils of ORSA and TIMS and on the Boards of the Institute for Operations Research and Management Sciences (INFORMS) and IIE. Dr. Jarvis holds a Bachelor and Masters of Science degree in Industrial Engineering from the University of Alabama and a Ph.D. from Johns Hopkins University.

Mr. Miller was elected as a Director of American Software on May 15, 2002. He is presently the Chairman, President and Chief Executive Officer of Fidelity National Corporation, the parent company of Fidelity National Bank since 1979. He is also currently Chairman of Fidelity National Bank and Fidelity National Capital Investors, Inc. Mr. Miller serves on the Boards of Directors of many business and civic activities, including Interface, Inc., Vanderbilt University School of Law, Alumni Board, DeKalb County Employees Pension Board, Michael C. Carlos Museum, Emory University. Mr. Miller holds a Bachelor of Arts degree from Florida State University, and a law degree from Vanderbilt University School of Law.

Mr. Newberry, V was elected as a Director of American Software on June 1, 2001. He is the founder of The 1% Club, Inc. and has acted as its Chief Executive Officer since its founding. He is also the author of motivational books and audio programs dedicated to improving performance in business operations and salesmanship. Mr. Newberry, V holds a Bachelor of Science degree from Georgia State University.

Mr. Coombs first joined American Software in January 1985. In 1988 he was elected Vice President of Professional Services. From May 1994 to February 1996, Mr. Coombs was employed by Indus International, Inc. (formerly known as TSW International, Inc.) as Senior Vice President. Mr. Coombs rejoined us in February 1996 as Senior Vice President of Professional Services. In April 2001, Mr. Coombs was promoted to Executive Vice President of American Software USA, Inc. From March 1978 to June 1984 Mr. Coombs was employed by Saudi Arabian Airlines as a Project Manager in Information Technology. Prior to that time Mr. Coombs held various positions with the Northern Bank Ltd., Belfast.

Mr. Klinges joined American Software in February 1998 as Vice President of Finance. In September, 1999 Mr. Klinges was promoted to Chief Financial Officer. In September 1999, Mr. Klinges became the Chief Financial Officer of Logility, Inc. From July 1995 to February 1998, Mr. Klinges was employed by Indus International, Inc. (formerly known as TSW International, Inc.), as Controller. From November 1986 to July 1995, Mr. Klinges held various positions with Dun & Bradstreet, Inc., including Controller of Sales Technologies, a software division of Dun & Bradstreet Inc. Mr. Klinges holds a Bachelor of Business Administration from St. Bonaventure University.

Mr. McGuone was elected as our Secretary in May 1988. He has been a practicing attorney since 1972, and is a partner with the law firm of Holland & Knight, L.L.P., counsel to American Software. Mr. McGuone holds a B.A. degree from Pennsylvania State University and a J.D. degree from Fordham University School of Law.

Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934 (the Exchange Act) requires our officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the SEC). Officers, directors and holders of more than 10% of the Common Stock are required by regulations promulgated by the SEC pursuant to the Exchange Act to furnish us with copies of all Section 16(a) forms they file. We assist officers and directors in complying with the reporting requirements of Section 16(a) of the Exchange Act.

Based upon a review by the Company of filings made under Section 16(a) of the Exchange Act and representations from its directors and officers, all Section 16(a) filing requirements applicable to its directors, officers and greater than 10% beneficial owners were complied with, except that the Company inadvertently filed on behalf of its outside directors the report of the October 31, 2002 stock option grants eight days after they were required to be filed.

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ITEM 11. EXECUTIVE COMPENSATION

This information is set forth under the caption Certain Information Regarding Executive Officers and Directors in the Company s Proxy Statement for the 2003 Annual Meeting of Shareholders (the Proxy Statement), which information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

This information is set forth under the captions Certain Information Regarding Executive Officers and Directors Stock Option Exercises and Outstanding Options and Voting Securities Security Ownership in the Proxy Statement, which information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Relationship with Logility, Inc. and Certain Transactions

On October 10, 1997, we completed an initial public offering of 2,200,000 shares of common stock in our subsidiary, Logility, Inc. (Logility). Prior to that time, Logility was a wholly-owned subsidiary of ours, operating as the supply chain planning software group, warehouse management software group and transportation management group. In anticipation of such offering, American Software and Logility entered into a number of agreements for the purpose of defining certain relationships between the parties (the Intercompany Agreements). The more significant of the Intercompany Agreements are summarized below. As a result of our ownership interest in Logility, the terms of such agreements were not the result of arms-length negotiation. Management of the Company believes, however, that the fees for the various services provided would not exceed fees that would be paid if such services were provided for independent third parties.

Services Agreement

American Software and Logility have entered into a Services Agreement (the Services Agreement) with respect to certain services to be provided by us (or our subsidiaries) to Logility. The Services

Agreement provides that such services are provided in exchange for fees equivalent to fees that would be paid if such services were provided by independent third parties. The services provided by us to Logility under the Services Agreement include, among other things, certain accounting, audit, cash management, corporate development, employee benefit plan administration, human resources and compensation, general and administration services, and risk management and tax services. In addition to these services, we have agreed to allow eligible employees of Logility to participate in certain employee benefit plans. Logility has agreed to reimburse us for costs (including any contributions and premium costs and including third-party expenses and allocations of certain personnel expenses), generally in accordance with past practice, relating to the participation by Logility s employees in any of our benefit plans.

The Services Agreement had an initial term of three years and is renewed automatically thereafter for successive one-year terms unless either American Software or Logility elects not to renew its term by giving proper notice. Logility will indemnify us against any damages that we may incur in connection with our performance of services under the Services Agreement (other than those arising from our gross negligence or willful misconduct), and we will indemnify Logility against any damages arising out of our gross negligence or willful misconduct in connection with our rendering of services under the Services Agreement. For the fiscal years 2003 and 2002 the services related to this agreement were valued at $1.2 million and $1.7 million, respectively.

Facilities Agreement

American Software and Logility have entered into a Facilities Agreement (the Facilities Agreement), which provides that Logility may occupy space located in certain facilities owned or leased by us (or our subsidiaries).

The Facilities Agreement has an initial term of two years and is renewed automatically thereafter for successive one-year terms unless either American Software or Logility elects not to renew its term. The Facilities Agreement may be terminated by Logility for any reason with respect to any particular facility upon thirty days written notice. Logility s lease of space at any facility under the Facilities Agreement is limited by the term of the underlying lease between American Software and a landlord with respect to any facility leased by American Software and by the disposition by American Software of any facility owned by American Software. For the fiscal years 2003 and 2002 the services related to this agreement were valued at $469,000 and $509,000, respectively. Included in these costs are lease expense, utilities expense, telephone expense, and security expense.

Tax Sharing Agreement

Logility is included in our federal consolidated income tax group, and Logility s federal income tax liability will be included in the consolidated federal income tax liability of American Software and its subsidiaries. Logility and American Software have entered into a Tax Sharing Agreement (the Tax Sharing Agreement) pursuant to which American Software and Logility will make payments between them such that the amount of taxes to be paid by Logility, subject to certain adjustments, will be determined as though Logility were to file separate federal, state, and local income tax returns, rather than as a consolidated subsidiary of American Software. Pursuant to the Tax Sharing Agreement, under certain circumstances, Logility will be reimbursed for tax attributes that it generates after deconsolidation of Logility from the consolidated tax group of American Software, such as net operating losses and loss carryforwards. Such reimbursement, if any, will be made for utilization of Logility s losses only after such losses are utilized by American Software. For that purpose, all losses of American Software and its consolidated income tax group will be deemed utilized in the order in which they are recognized. Logility will pay American Software a fee intended to reimburse American Software for all direct and indirect costs and expenses incurred with respect to our share of the overall costs and expense incurred by us with respect to tax related services.

Technology License Agreement

American Software and Logility have entered into a Technology License Agreement (the Technology License Agreement) pursuant to which Logility has granted us a non-exclusive, worldwide license to use, execute, reproduce, display, modify, and prepare derivatives of the *Logility Voyager Solutions* product line, provided such license is limited to maintaining and supporting users that have licensed *Logility Voyager Solutions* products from us. Pursuant to the Technology License Agreement, American Software and Logility are required to disclose to one another any and all enhancements and improvements which they may make or acquire in relation to a *Logility Voyager Solutions* product, subject to confidentiality requirements imposed by third parties. The term of the Technology License Agreement is indefinite, although Logility may terminate the Technology License Agreement for cause, and we may terminate the Technology License Agreement at any time upon sixty (60) days prior written notice to Logility. Upon termination of the Technology License Agreement, all rights to *Logility Voyager Solutions* products licensed by Logility to American Software revert to Logility, while all rights to enhancements and improvements made by American Software to *Logility Voyager Solutions* products revert to us.

Marketing License Agreement

American Software USA, Inc. (USA), a wholly-owned subsidiary of American Software, and Logility have entered into a Marketing License Agreement (the Marketing License Agreement) pursuant to which USA has agreed to act as a non-exclusive marketing representative of Logility for the solicitation of license agreements relating to the *Logility Voyager Solutions* product line. The Marketing License Agreement provides for the payment to USA of a commission equal to 30% of the net license revenue collected by Logility under license agreements for the *Logility Voyager Solutions* product line with certain end-users who are also licensees of software products of American Software which are secured and forwarded to Logility by USA and accepted by Logility. The Marketing License Agreement has a one-year term ending August 1, 2003, although either party may terminate the Marketing License Agreement at any time for its own convenience upon written notice to the other party. For the fiscal years 2003 and 2002 the services related to this agreement and a predecessor agreement were valued at $102,000 and $107,000, respectively.

Item 14. CONTROLS AND PROCEDURES

(a) *Evaluation of Disclosure Controls and Procedures.* The Company s Chief Executive Officer and Chief Financial Officer have, within 90 days of the filing date of this report, evaluated the Company s internal controls and procedures designed to ensure that information required to be disclosed in reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within specified time periods. After such review, the Company s Chief Executive Officer and Chief Financial Officer have concluded that said information was accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

(b) *Changes in Internal Controls.* There were no significant changes in the Company s internal controls or in other factors that could significantly affect these controls subsequent to the evaluation referred to in paragraph (a) above.

Item 15. PRINCIPAL ACCOUNTANT FEES AND SERVICES

This information is set forth under the caption Independent Auditors Audit Fees and All Other Fees in the Proxy Statement, which information is incorporated herein by reference.

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PART IV

ITEM 16. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) *Documents filed as part of this report.*

1. *Financial statements; All financial statements of the Company as described in Item 8 of this report on Form 10-K/A.*

2. *Financial statement schedule included in Part IV of this Form:*

	Page
Report of Independent Auditors Report	78
Schedule II Consolidated Valuation Accounts for the three years ended April 30, 2003	79

All other financial statements and schedules not listed above are omitted as the required information is not applicable or the information is presented in the financial statements or related notes.

3. *Exhibits*

The following exhibits are filed herewith or incorporated herein by reference:

3.1	The Company s Amended and Restated Articles of Incorporation, and amendments thereto. (1)
3.2	The Company s Amended and Restated By-Laws dated November 13, 1989. (2)
10.1	Amended and Restated 1991 Employee Stock Option Plan dated February 14, 2000. (3)
10.2	Amended and Restated Directors and Officers Stock Option Plan effective August 26, 1999. (4)
10.3	American Software, Inc. 401(k)/Profit Sharing Plan and Trust Agreement. (5)
10.4	Amendment to American Software, Inc. 401(k)/Profit Sharing Plan and Trust Agreement. (6)

10.5	Lease Agreement dated December 15, 1981, between Company and Newfield Associates. (7)
10.6	Amendment dated January 14, 1983, to Lease Agreement between the Company and Newfield Associates. (7)
10.7	Subsidiary Formation Agreement entered into among the Company, Logility, Inc., and certain subsidiaries of the Company, as amended, dated January 23, 1997. (8)
10.8	Services Agreement between the Company and Logility, Inc., dated August 1, 1997. (8)
10.9	Facilities Agreement between the Company and Logility, Inc., dated August 1, 1997. (8)
10.10	Tax Sharing Agreement between the Company and Logility, Inc., dated January 23, 1997. (8)
10.11	Stock Option Agreement between the Company and Logility, Inc., dated August 1, 1997. (8)
10.12	Technology License Agreement between the Company and Logility, Inc., as amended, dated August 1, 1997. (8)
10.13	Marketing License Agreement between USA and Logility, Inc., as amended, dated August 1, 2002. (9)
10.14	The Company s Employee Stock Purchase Plan dated September 30, 1998. (10)
10.15	Logility, Inc. s Amended and Restated 1997 Stock Plan dated August 26, 1998. (11)
10.16	Logility, Inc. s Employee Stock Purchase Plan dated September 30, 1998. (11)
10.17	Split-Dollar Agreement between the Company and the J&N Edenfield Trust, dated November 30, 1999. (12)
10.18	The Company s 2001 Stock Option Plan. (13)
10.19	The Company s Dividend Reinvestment and Stock Purchase Plan. (14)
21.1	List of Subsidiaries.
23.1	Independent Auditors Consent.
32.1	Certification pursuant to Section 906 of Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference herein. Filed by the Company as an exhibit to its quarterly report filed on Form 10-Q for the quarter ended October 31, 1990.

(2) Incorporated by reference herein. Filed by the Company as an exhibit to its quarterly report filed on Form 10-Q for the quarter ended January 31, 1990.

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(3) Incorporated by reference herein. Filed by the Company as an exhibit to its quarterly report filed on Form 10-Q for the quarter ended January 31, 2000.

(4) Incorporated by reference herein. Filed by the Company as an exhibit to its Registration Statement No. 333-86141 filed on Form S-8 on August 30, 1999.

(5) Incorporated by reference herein. Filed by the Company as an exhibit to its Registration Statement No. 33-55214 filed on Form S-8 on December 1, 1992.

(6) Incorporated by reference herein. Filed by the Company as an exhibit to its annual report filed on Form 10-K for the fiscal year ended April 30, 2002.

(7) Incorporated by reference herein. Filed by the Company as an exhibit to its Registration Statement No. 2-81444 filed on Form S-1 on January 21, 1983.

(8) Incorporated by reference herein. Filed by the Company as an exhibit to its annual report filed on Form 10-K for the fiscal year ended April 30, 1998.

(9) Incorporated by reference herein. Filed by the Company as an exhibit to its quarterly report filed on Form 10-Q for the quarter ended October 31, 2002.

(10) Incorporated by reference herein. Filed by the Company as an exhibit to its Registration Statement No. 333-67533 filed on Form S-8 on November 19, 1998.

(11) Incorporated by reference herein. Filed by the Company as an exhibit to its annual report filed on Form 10-K for the fiscal year ended April 30, 1999.

(12) Incorporated by reference herein. Filed by the Company as an exhibit to its annual report filed on Form 10-K for the fiscal year ended April 30, 2000.

(13) Incorporated by reference herein. Filed by the Company as an exhibit to its Registration Statement No. 333-98513 filed on form S-8 on August 22, 2002.

(14) Incorporated by reference herein. Filed by the Company as the Prospectus within its Registration Statement No. 33-79640 filed

on Form S-3 on June 1, 1994, as amended by Post-Effective Amendment No. 1 filed December 13, 2001.

(b) *Reports on Form 8-K*

The Company did not file any reports on Form 8-K during the fourth quarter of the recently completed fiscal year.

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Independent Auditors Report

The Board of Directors and Shareholders

American Software, Inc.:

Under date of June 6, 2003, except as to note 14, which is as of July 9, 2003, we reported on the consolidated balance sheets of American Software, Inc. and subsidiaries as of April 30, 2003 and 2002, and the related consolidated statements of operations, shareholders equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended April 30, 2003, which are included in the April 30, 2003 annual report on Form 10-K. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule included in the Form 10-K. This financial statement schedule is the responsibility of the Company s management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Atlanta, Georgia

June 6, 2003, except as to note 14, which is as of July 9, 2003.

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SCHEDULE II

AMERICAN SOFTWARE, INC.

CONSOLIDATED VALUATION ACCOUNTS

Years ended April 30, 2003, 2002, and 2001

(In thousands)

Allowance for Doubtful Accounts

Year ended:	Balance at beginning of year	Additions charged to expense	Other Additions	Deductions [1]	Balance at end of year
April 30, 2003	$ 906	414		532	788
April 30, 2002	1,656	503		1,253	906
April 30, 2001	1,739	1,274		1,357	1,656

[1] Write-offs of accounts receivable, net of recoveries.

Deferred Income Tax Valuation Allowance

Year ended:	Balance at beginning of year	Additions charged to expense	Other additions	Deductions	Balance at end of year
April 30, 2003	$ 9,183			2,692	6,491
April 30, 2002	14,198			5,015	9,183
April 30, 2001	6,527	7,671			14,198

See accompanying independent auditors report.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERICAN SOFTWARE, INC.

By: /s/ JAMES C. EDENFIELD

James C. Edenfield

President, Chief Executive Officer,

Treasurer and Director

Date: December 8, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ JAMES C. EDENFIELD **James C. Edenfield**	President, Chief Executive Officer, Treasurer and Director	December 8, 2003
/s/ THOMAS L. NEWBERRY **Thomas L. Newberry**	Chairman of the Board of Directors	December 8, 2003
/s/ J MICHAEL EDENFIELD **J. Michael Edenfield**	Director, Executive Vice President	December 8, 2003
/s/ DAVID H. GAMBRELL	Director	

David H. Gambrell		December 8, 2003
/s/ DENNIS HOGUE **Dennis Hogue**	Director	December 8, 2003
/s/ JOHN J. JARVIS **John J. Jarvis**	Director	December 8, 2003
/s/ THOMAS L. NEWBERRY, V **Thomas L. Newberry, V.**	Director	December 8, 2003
/s/ JAMES B. MILLER, JR. **James B. Miller, Jr.**	Director	December 8, 2003
/s/ VINCENT C. KLINGES **Vincent C. Klinges**	Chief Financial Officer	December 8, 2003
/s/ DEIRDRE J. LAVENDER **Deirdre J. Lavender**	Controller and Principal Accounting Officer	December 8, 2003

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