

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 9, 2021

EMERGENT BIOSOLUTIONS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33137
(Commission File Number)

14-1902018
(IRS Employer
Identification No.)

**400 Professional Drive, Suite 400,
Gaithersburg, Maryland 20879**

(Address of principal executive offices, including zip code)

(240) 631-3200
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value \$0.001 per share	EBS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 9, 2021, the Compensation Committee (the “Committee”) of the Board of Directors of Emergent BioSolutions Inc. (the “Company”) approved certain actions with respect to the compensation of the current named executive officers of the Company (the “Named Executive Officers”), as listed in the Definitive Proxy Statement related to its 2020 Annual Meeting of Stockholders.

2020 Cash Bonuses and 2021 Base Salaries and Target Bonuses.

The Committee awarded cash bonuses to the following Named Executive Officers for their performance in 2020 in the following amounts:

- Fuad El-Hibri, Executive Chairman: not bonus eligible;
- Robert G. Kramer, President and Chief Executive Officer: \$1,225,020;
- Richard S. Lindahl, Executive Vice President, Chief Financial Officer and Treasurer: \$462,012;
- Adam R. Havey, Executive Vice President, Business Operations: \$445,204; and
- Atul Saran, Executive Vice President, Corporate Development, General Counsel and Corporate Secretary: \$445,204.

The Committee also approved base salaries and target bonus percentages for the Named Executive Officers for 2021. The annualized base salaries and target bonus percentages, respectively, effective as of January 1, 2021, are as follows:

- Fuad El-Hibri, \$1,135,000 and N/A;
- Robert G. Kramer, \$1,000,000 and 120%;
- Richard S. Lindahl, \$575,000 and 60%;
- Adam R. Havey, \$555,000 and 60%; and
- Atul Saran: \$555,000 and 60%.

Equity Awards.

The Committee approved grants of stock options, time-based restricted stock units (“RSUs,” each an “RSU”) and performance-based stock units (“PSUs,” each a “PSU”) in accordance with the terms and provisions of the Company’s stock option and RSU award agreements, the 2021-2023 Performance-Based Stock Unit Award Agreement (the “PSU Award Agreement”) and the Emergent BioSolutions Inc. Stock Incentive Plan (the “Stock Incentive Plan”) to be made on February 24, 2021 to the Named Executive Officers based on the following cash values:

- Fuad El-Hibri, based on a value of \$2,600,000;
- Robert G. Kramer, based on a value of \$5,600,000;
- Richard S. Lindahl, based on a value of \$1,500,000;
- Adam R. Havey, based on a value of \$1,400,000; and
- Atul Saran, based on a value of \$1,400,000.

For the Named Executive Officers, other than the Executive Chairman, 50% of the value was made in the form of stock options, 25% of the value was made in the form of RSUs that vest solely based on the passage of time and 25% of the value was made in the form of PSUs that vest based on the achievement of the performance objective noted above. For the Executive Chairman, 50% of the value was made in the form of stock options and 50% of the value was made in the form of RSUs that vest solely based on the passage of time.

2021-23 Performance Stock Unit Recommendation.

The Committee also approved the PSU Unit Award Agreement, a form of which is attached hereto as Exhibit 10, for the PSU awards. PSU awards will result in the issuance of a number of shares based on the level of achievement with respect to Adjusted EBITDA Margin (as defined below) calculated on a cumulative basis over the three-year period beginning January 1, 2021 and ending December 31, 2023 (the “Performance Period”). Adjusted EBITDA Margin on a cumulative basis is equal the sum of Adjusted EBITDA for each year in the Performance Period divided by the sum of GAAP revenue for each year in the Performance Period. Adjusted EBITDA (as defined below) is defined as adjusted earnings before interest, taxes, depreciation and amortization, as reported by the Company. The minimum performance objective, target performance objective and maximum performance objective will result in a share payout of 50%, 100% and 150% of the target number of shares,

respectively. The PSU awards approved by the Committee will vest based on the achievement of the performance objective, as certified by the Committee following the end of the Performance Period.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99	Form of 2021-2023 Performance-Based Stock Unit Award Agreement.
101	Emergent BioSolutions Inc. Current Report on Form 8-K, dated February 9, 2021, formatted in XBRL (Extensible Business Reporting Language): Cover Page. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EMERGENT BIOSOLUTIONS INC.

Dated: February 16, 2021

By: /s/ RICHARD S. LINDAHL

Name: Richard S. Lindahl
Title: Executive Vice President, Chief Financial
Officer and Treasurer

Form of 2021-2023 Performance-Based Stock Unit Award Agreement

1. **Grant of PSUs.** In consideration of services rendered to the Company by the Participant, the Company has granted to the Participant, subject to the terms and conditions set forth herein and in the Company's Stock Incentive Plan (the "**Plan**"), an award of performance-based stock units (individually, a "**PSU**" and collectively, the "**PSUs**"), representing the number of PSUs set forth under the Participant's account in the Company's third-party electronic stock administrative platform (the "**Grant Summary**"). The PSUs entitle the Participant to receive, upon and subject to the vesting of the PSUs (as described in Section 2 below), one share of common stock, \$0.001 par value per share, of the Company (the "**Common Stock**") for each PSU that vests. The shares of Common Stock that are issuable upon vesting of the PSUs are referred to herein as the "**Shares.**"

2. Vesting of PSUs and Issuance of Shares.

- (a) **General.** Subject to the other provisions of this Section 2, the PSUs shall vest as set forth on **Schedule 1** to this Agreement, based on the achievement of the performance goal for the performance period set forth on **Schedule 1**, as certified by the Compensation Committee promptly following the performance period. Such date on which PSUs vest under this Agreement may be referred to herein as the "**Vesting Date.**" Subject to Section 4, as soon as administratively practicable after the Vesting Date shown on **Schedule 1**, the Company will issue to the Participant, in certificated or uncertificated form, such number of Shares as is equal to the number of PSUs that vested on such Vesting Date. In no event shall the Shares be issued to the Participant later than 30 days after the Vesting Date.
- (b) **Service Termination.** Except as set forth in Section 2(c) below and on **Schedule 1**, upon the cessation of the Participant's services with the Company for any reason, all unvested PSUs shall be automatically forfeited as of such cessation of services. For purposes of this PSU award, services with the Company shall include services as an employee or director of, or consultant or advisor to, the Company or to a parent or subsidiary of the Company, or any successor to the Company.
- (c) **Change in Control Event.** Upon a Change in Control Event (as defined in the Plan), the acquiring or succeeding entity (or an affiliate thereof) shall assume each outstanding PSU such that, following the consummation of the Change in Control Event, the PSU confers the Participant with the right to receive, for each Share subject to the award, the consideration (whether cash, securities or other property) received by each holder of Common Stock immediately prior to the Change in Control Event (the "**Replacement Award**"), provided that (i) such Replacement Award shall vest solely based on the Participant's continued provision of services with the Company (as described on Section 2(b) hereof) until the last day of the

performance period set forth on Schedule 1 and shall not, for the avoidance of doubt, be subject to achievement of the performance goals set forth on Schedule 1 and (ii) the amount of cash, securities or other property subject to such Replacement Award shall be determined assuming that the number of shares subject to the PSU is equal to the target number of Shares issuable under this Agreement (as set forth on Schedule 1) for the performance period. In the event that the Participant's employment is terminated by either the Company or its successor without Cause or by the Participant for Good Reason (as such terms are defined in the Plan) within eighteen (18) months following a Change in Control Event, the remaining unvested portion of the Replacement Award shall become vested as of the date of the Participant's termination of employment. Notwithstanding the foregoing, in the event that the acquiring or succeeding entity (or an affiliate thereof) refuses to assume the PSUs and grant Replacement Awards in connection with a Change in Control Event, this PSU award shall become vested, immediately prior to the Change in Control Event, with respect to the target number of Shares (as set forth on Schedule 1) for the performance period.

3.Dividends. At the time of the issuance of Shares to the Participant pursuant to Section 2, the Company shall also pay to the Participant an amount of cash equal to the aggregate amount of all dividends paid by the Company, between the grant date and the issuance of such Shares, with respect to the number of Shares so issued to the Participant.

4.Withholding Taxes. Upon vesting, the Company shall, in accordance with the terms of the Plan, withhold such number of Shares from the PSU award as is sufficient to satisfy the required federal, state, and local and other income and employment tax withholding obligations of the Company associated with the PSUs.

5.Restrictions on Transfer. Neither the PSUs, nor any interest therein (including the right to receive dividend payments in accordance with Section 3), may be transferred by the Participant except to the extent specifically permitted in Section 10(a) of the Plan.

6.Provisions of the Plan. This PSU award is subject to the provisions of the Plan. The Participant acknowledges receipt of the Plan, along with the Prospectus relating to the Plan.

7.Section 409A. This PSU award is intended to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A") and shall be interpreted and construed consistently therewith. In no event shall either the Participant or the Company have the right to accelerate or defer delivery of the Shares to a date or event other than as set forth herein except to the extent specifically permitted or required by Section 409A. In the event that the Participant is a "specified employee" within the meaning of Section 409A and the Shares are to be delivered in connection with the

termination of the Participant's employment, the delivery of the Shares and any dividends payable under Section 3 in connection with such delivery shall be delayed until the date that is six months and one day following the date of the Participant's termination of employment if required to avoid the imposition of additional taxes under Section 409A. Solely for purposes of determining when the Shares (and any dividends payable under Section 3) may be delivered in connection with the Participant's termination of employment, such termination of employment must constitute a "separation from service" within the meaning of Section 409A. Solely to the extent necessary to comply with Section 409A, any Change in Control Event must also constitute a "Change in Control Event" as described in Treasury Regulation Section 1.409A-3(i)(5).

8. Miscellaneous.

- (a) No Rights to Employment. The Participant acknowledges and agrees that the grant of the PSUs and their vesting pursuant to Section 2 do not constitute an express or implied promise of continued employment for the vesting period, or for any period.
- (b) Entire Agreement. These terms and the Plan constitute the entire agreement between the parties, and supersede all prior agreements and understandings, relating to the subject matter of this PSU award; and, with respect to this PSU award, these terms shall, for the avoidance of doubt, supersede the terms in any separate employment or severance plan or agreement between the Company and the Participant relating to the acceleration of vesting of equity awards.
- (c) Governing Law. This PSU award shall be construed, interpreted and enforced in accordance with the internal laws of the State of Delaware without regard to any applicable conflict of law principles.
- (d) Interpretation. The interpretation and construction of any terms or conditions of the Plan or this PSU award by the Compensation Committee shall be final and conclusive.