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 11, 2019**

EMERGENT BIOSOLUTIONS INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**001-33137**	**14-1902018**
(State or other jurisdiction of incorporation)	(Commission File Number)	(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))

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;

Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Appointment of Seamus Mulligan to the Board of Directors

On February 11, 2019, the Board of Directors (the “Board”) of Emergent BioSolutions Inc. (the “Company”) approved an increase in the size of the Board from 9 to 10 directors and appointed Seamus Mulligan as a Class II director of the Company, both effective as of March 19, 2019 (the “Effective Date”). As this appointment is occurring due to an increase in the size of the Board, the Company expects to seek stockholder approval for his election as a Class II director at the upcoming 2019 annual stockholder meeting and, if elected, he would serve a term expiring at the 2020 annual stockholder meeting along with the other Class II directors.

Mr. Mulligan is the former CEO and founder of Adapt Pharma Ltd. (“Adapt”), which the Company acquired in 2018, and as such is party to several transactions with the Company. Mr. Mulligan previously received $35,105,205 in cash, may receive possible future escrow and milestone payments up to an additional $9,475,060 in cash, and received 48,572 shares of the Company’s common stock valued at approximately $2,935,692 in connection with the Company’s acquisition of Adapt on October 15, 2018 (the “Acquisition”). In addition, Mr. Mulligan and his family own Nerano Pharma Ltd., which received $393,910,541 in cash, and may receive possible future escrow and milestone payments up to an additional $106,430,917 in cash, and received 545,590 shares of the Company’s common stock, valued at approximately $32,975,460.

In addition to this Acquisition-related consideration, Mr. Mulligan currently owns a property located at 45 Fitzwilliam Square, Dublin 2, Ireland, which is leased to Adapt, as tenant, under a ten-year lease agreement, effective September 1, 2016, and may be terminated at any time by Adapt upon entering into a new lease in the City of Dublin for a termination fee equal to approximately one year’s rent. The cost of the lease is approximately $194,000 per annum, paid in Euros. Mr. Mulligan will have received approximately $270,021 under this lease between January 1, 2018 and the Effective Date and the Company anticipates terminating the lease and paying the termination fee upon selection of a new site for its Dublin office. Mr. Mulligan is also a party to a consulting agreement that commenced upon the closing of the Acquisition, which will terminate on the Effective Date, under which he will have received approximately $146,000 paid in Euros. In addition, his daughter was an employee of Adapt under which she received total compensation from Adapt of $184,238, paid in Euros, between January 1, 2018 and her last day of employment on November 30, 2018. The conversion to U.S. dollars for the amounts listed above was calculated based on the average exchange rate for each month. Commencing on January 21, 2019, Mr. Mulligan’s son began an internship with Adapt under which he is paid $36,000 annually. His son will have received approximately $4,125 from Adapt from this internship as of the Effective Date. Mr. Mulligan was not selected pursuant to any arrangement or understanding with any other person.

In connection with his appointment to the Board, and pursuant to the Company’s Stock Incentive Plan, the Company granted Mr. Mulligan an initial election equity award of $375,000, to be issued on the Effective Date, in restricted stock units, which award shall vest one-third per year over three years on the date which is one day prior to the anniversary of the date of grant, subject to Mr. Mulligan’s continued service as a director. As a non-employee director, Mr. Mulligan will receive compensation in accordance with the Company's non-employee director compensation practices, which are summarized under the heading “Director Compensation” in the Company’s Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission (the “SEC”) on April 13, 2018 (the “Proxy Statement”). Mr. Mulligan will also enter into the Company’s standard form of Indemnification Agreement, a form of which was filed as Exhibit 10 to the Company’s Current Report on Form 8-K, filed with the SEC on January 18, 2013.

Approval of Executive Compensation

On February 12, 2019, the Compensation Committee (the “Committee”) of the Board approved actions with respect to the compensation of the Company’s current named executive officers, as listed in the Company’s Proxy Statement (“Named Executive Officers”), and its principal financial officer (the “Chief Financial Officer”).

2018 Cash Bonuses and 2019 Base Salaries and Target Bonuses

The Committee awarded cash bonuses to the Company’s Named Executive Officers and Chief Financial Officer for their performance in 2018 in the following amounts:

- Fuad El-Hibri, Executive Chairman: not bonus eligible;
- Daniel J. Abdun-Nabi, Chief Executive Officer: $980,394.24;
- Robert G. Kramer, Sr., President and Chief Operating Officer: $538,806.91;
- Richard S. Lindahl, Executive Vice President, Chief Financial Officer and Treasurer: $330,007.39;
- Adam R. Havey, Executive Vice President, Business Operations: $310,211.62; and
- Atul Saran, Executive Vice President, Corporate Development, General Counsel and Corporate Secretary: $293,567.04.

The Committee also approved base salaries and target bonus percentages for the Named Executive Officers and Chief Financial Officer for 2019. The annualized base salaries and target bonus percentages, effective as of January 1, 2019, are as follows: Fuad El-Hibri, $1,054,040.00 and 0%; Daniel J. Abdun-Nabi, $838,552.00 and 90% (to be prorated for his time of service through March 31, 2019); Robert G. Kramer, Sr., $556,212.80 and 60% (to be prorated through March 31, 2019), and 700,003 and 85% (effective on April 1, 2019, upon assuming the role of Chief Executive Officer (to be prorated for the remainder of the year)); Richard S. Lindahl, $515,028.80 and 55%; Adam R. Havey, $484,120.00 and 55%; and Atul Saran, $503,963.20 and 50%.

2019 Equity Awards

The Committee approved the 2019-2021 Performance-Based Stock Unit Award Agreement, a form of which is attached as Exhibit 10 to this Current Report and incorporated herein by reference (the “2019-2021 PSU Award Agreement”), for grants of performance-based stock unit awards under the terms of the 2019-2021 PSU Award Agreement and the Company's Stock Incentive Plan. Awards under this agreement will result in the issuance of a number of shares based on the level of achievement with respect to “adjusted net income” as a percentage of total revenue (as determined in accordance with U.S. generally accepted accounting principles (“GAAP”)) for the 2021 fiscal year. “Adjusted Net Income” is defined as net income, determined in accordance with GAAP, excluding acquisition-related cost (transaction and integration), non-cash amortization charges, exit and disposal costs, and the impact of purchase accounting on inventory step-up (all of which exclusions shall be tax-effected utilizing the statutory U.S. federal income tax rate) and the impact of material changes in the U.S. federal income tax rate subsequent to the first year of the Performance Period. Achievement of the minimum performance level, target performance level or maximum performance level will result in a share payout of 50%, 100% or 150% of the target number of shares, respectively, as applicable. Awards under this agreement will vest based on the achievement of the performance goal for the 2021 fiscal year, as certified by the Committee following the performance period.

The Committee approved grants of stock options, time-based restricted stock units and performance-based stock units in accordance with the terms and provisions of the Company’s stock option, RSU and 2019-2021 PSU Award Agreements and the Company’s Stock Incentive Plan to be made on February 26, 2019 to the Named Executive Officers and the Chief Financial Officer based on the following cash values: Fuad El-Hibri, based on a value of $2,200,000; Daniel J. Abdun-Nabi, $0; Robert G. Kramer, Sr., based on a value of $2,880,000; Richard S. Lindahl, based on a value of $1,240,000; Adam R. Havey, based on a value of $1,240,000; and Atul Saran, based on a value of $1,240,000. For the Chief Financial Officer and 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 restricted stock units that vest solely based on the passage of time and 25% of the value was made in the form of performance-based stock units that vest based on the achievement of a specific level of adjusted net income as a percentage of total revenue for the 2021 fiscal year. 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 restricted stock units that vest solely based on the passage of time.

Amendments to 2017-2019 and 2018-2020 Performance-Based Stock Unit Awards

The Committee approved amendments to performance-based stock unit awards granted to Messrs. Abdun-Nabi, Kramer and Havey in 2017 (the "2017-2019 PSUs") and Messrs. Abdun-Nabi, Kramer, Havey, Lindahl and Saran in 2018 (the "2018-2020 PSUs" and, together with the 2017-2019 PSUs, the "Prior PSUS") to (i) redefine the performance objective for the Prior PSUs as "adjusted net income" as a percentage of total revenue, consistent with the 2019-2021 PSU Award Agreement, (ii) increase the minimum performance level, target performance level and maximum performance level in connection with the change in performance objective to provide the Prior PSUs with more meaningful performance measures, and (iii) certain administrative changes to make them materially consistent with the 2019-2021 PSU Award Agreement.

The Committee determined to amend the Prior PSUs to better align management incentives under the Prior PSUs with long-term stockholder value creation and the Company's strategic objectives, particularly in light of the Company's recent strategic transactions. The Committee initially approved PSU awards to achieve alignment between management performance and long-term stockholder value. At the time of grant, the Committee evaluated the Company's history as well as its long-range objectives and believed that net income, measured in accordance with GAAP, would be the best measure of long-term stockholder value creation. Since the PSU awards were granted, however, the Company has completed several acquisitions and licensing transactions that the Committee believes have generated significant value for stockholders, most notably four acquisitions in the last 18 months. The application of GAAP to the net income calculations as it relates to these transactions includes various items that the Committee believes do not reflect that underlying operational success of the business nor the long-term value creation. For example, Company management believes that the exclusion from net income of the non-cash impact of charges resulting from purchase accounting (i.e. acquisition-related costs (transaction and integration), non-cash amortization charges, exit and disposal costs, the impact of purchase accounting on inventory step-up (which are all tax effected utilizing the statutory rate for the US)) and the impact of material changes in the U.S. federal income tax rate subsequent to the first year of the Performance Period is more indicative of the Company's core operating performance. Accordingly, the Compensation Committee believes that an adjusted net income metric that evaluates the success of the business disregarding these items is a more accurate reflection of the value that has been generated.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10	Form of 2019-2021 Performance-Based Stock Unit Award Agreement.
99.1	"Director Compensation" page from the Company's Definitive Proxy Statement on Schedule 14A, filed on April 13, 2018.
99.2	Press release, dated February 12, 2019, announcing appointment of Seamus Mulligan as a director.

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 12, 2019

By: /s/ RICHARD S. LINDAHL

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

Form of 2019-2021 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"), in an amount equal to the maximum number of shares issuable under this Agreement (as described on Schedule 1 to this Agreement). 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.

EXHIBIT 99.1

DIRECTOR COMPENSATION

The compensation of our directors is established by our nominating and corporate governance committee based on market practice information provided by our independent compensation consultant Willis Towers Watson. This compensation is periodically reviewed with respect to cash retainers, meeting fees and equity incentives. The following table sets forth information for the fiscal year ended December 31, 2017, regarding the compensation of our directors who are not also named executive officers.

Name	Fees Earned or Paid in Cash	Stock Awards(1)	All Other Compensation	Total
Dr. Sue Bailey	$ 82,000	$ 250,000	$ —	$ 332,000
Zsolt Harsanyi, Ph.D.	$ 104,000	$ 250,000	$ —	$ 354,000
Jerome Hauer, , Ph.D.	$ 96,500	$ 250,000	$ —	$ 346,500
General George Joulwan	$ 88,000	$ 250,000	$ —	$ 338,000
Ronald B. Richard	$ 132,500	$ 250,000	$ —	$ 382,500
Louis W. Sullivan, M.D.	$ 96,500	$ 250,000	$ —	$ 346,500
Kathryn Zoon, Ph.D.	$ 79,000	$ 250,000	$ —	$ 329,000

(1) The amounts in the "Stock Awards" column reflect the grant date fair value of equity awards granted to the directors named in the table above for the fiscal year ended December 31, 2017, calculated in accordance with SEC rules.

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

Element	Program 2017 and 2018
Annual Retainer	$ 55,000
Lead Director Additional Retainer	$ 30,000
Board Meeting Fees	None
Committee Meeting Fees	None
Committee Chair Additional Retainer	$25,000 – Audit, Strategic Operations(1) $17,500 – Other(2)
Committee Member Additional Retainer	$15,000 – Audit, Strategic Operations(3) $9,000 – Other(2)
Annual Equity Awards	$250,000 in RSUs per director
Initial Election Equity Awards(4)	$375,000 in RSUs per director

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

(2) Other includes: Compensation, Nominating and Corporate Governance, and Scientific Review Committees.

(3) Employee Directors (Fuad El-Hibri and Dan Abdun-Nabi) do not receive additional cash retainers for service on the Strategic Operations Committee.

(4) Initial election equity award values are inclusive of the annual equity award.

EXHIBIT 99.2

News Release

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EMERGENT BIOSOLUTIONS ANNOUNCES APPOINTMENT OF SEAMUS MULLIGAN TO ITS BOARD OF DIRECTORS

GAITHERSBURG, Md.—February 12, 2019—Emergent BioSolutions Inc. (NYSE:EBS) today announced the appointment of Seamus Mulligan to the company's Board of Directors effective March 19, 2019. Mr. Mulligan was a co-founder and principal investor of Adapt Pharma Ltd. and served as its chairman and CEO from 2014 until 2018, when Adapt was acquired by Emergent.

"The appointment of Seamus to Emergent's Board comes at a pivotal time in the company's history, when successive acquisitions have resulted in rapid growth and expansion," said Fuad El-Hibri, executive chairman of the board of Emergent BioSolutions. "As Emergent continues to focus on its mission – to protect and enhance life – by providing preparedness solutions to a wide range of public health threats, we welcome Seamus' broad executive management experience and his entrepreneurial spirit that we believe will benefit the company for the long-term."

"It is an honor to be appointed to serve on the board of Emergent BioSolutions, whose growth in the last twenty years has been steady and impressive – addressing a niche market while honing its skills and evolving its core competencies to better serve and grow with its customers," said Mr. Mulligan. "I look forward to contributing to Emergent's continued success and leveraging my business experience to assist the management team and the company in achieving their goals."

Mr. Mulligan is also the founder of Azur Pharma, where he served as chairman and CEO and as a member of its board of directors from 2005 until Azur merged with Jazz Pharmaceuticals in 2012. He served as chief business officer, international business development for Jazz until 2013. Prior to his tenure at Azur, Mr. Mulligan spent 20 years of his professional career with Elan Corporation, where he was responsible for a broad range of R&D and commercial operations and was closely involved in Elan's growth and evolution from a drug delivery company into a research-focused pharmaceutical organization. At Elan, he served in progressive executive positions, including EVP of business and corporate development, EVP, corporate development, and president, Elan Pharmaceutical Technologies, a subsidiary of Elan. Mr. Mulligan's senior operational positions include VP for product development, VP U.S. operations, and EVP pharmaceutical operations. Mr. Mulligan currently serves as a director of Jazz Pharmaceuticals Public Limited Company. Previous board memberships include serving as executive chairman of Circ Pharma Limited, chairman of the board and director of Azur Pharma Limited, and director of the U.S. National Pharmaceutical Council. He has a B.Sc (Pharm) and M.Sc from Trinity College, Dublin, Ireland.

About Emergent BioSolutions

Emergent BioSolutions Inc. is a global life sciences company seeking to protect and enhance life by focusing on providing specialty products for civilian and military populations that address accidental, deliberate, and naturally occurring public health threats. We aspire to be a Fortune 500 company recognized for protecting and enhancing life, driving innovation, and living our values. Additional information about the company may be found at www.emergentbiosolutions.com. Find us on LinkedIn and follow us on Twitter @emergentbiosolu and Instagram @life_at_emergent.

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