

WEST PHARMACEUTICAL SERVICES INC  
Form DEF 14A  
March 30, 2006

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

SCHEDULE 14A/INFORMATION

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §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):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
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**NOTICE OF 2006 ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 2, 2006**

Dear Shareholder,

The 2006 Annual Meeting of Shareholders of West Pharmaceutical Services, Inc. will be held at the Company's headquarters, 101 Gordon Drive, Lionville, Pennsylvania 19341, on Tuesday, May 2, 2006, at 9:30 AM. The items of business at the meeting are:

to elect Paula A. Johnson, William H. Longfield, Anthony Welters and Patrick J. Zenner, as Class I Directors, each for a term of three years, and to elect Jenne K. Britell as a Class III director for a two-year term; and

to transact such other business as may properly come before the meeting.

The Board of Directors unanimously recommends a vote FOR the election of the Director nominees listed above.

Only shareholders of record at the close of business on Friday, March 24, 2006, are entitled to notice of and to vote at the meeting or any postponement or adjournment of the meeting.

**You can vote by proxy on the Internet, or by dating, signing and returning the enclosed proxy in the enclosed envelope. It is important that your shares be represented and voted, whether or not you expect to attend the meeting in person.**

By Order of the Board of Directors,

JOHN R. GAILEY III

*Vice President, General Counsel and Secretary*

March 30, 2006

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**WEST PHARMACEUTICAL SERVICES, INC.**

**101 Gordon Drive**

**Lionville, Pennsylvania 19341**

**2006 ANNUAL MEETING OF SHAREHOLDERS**

**Tuesday, May 2, 2006**

**PROXY STATEMENT**

**General Information About the Meeting**

**Proxy Solicitation**

We are providing these proxy materials in connection with the solicitation by the Board of Directors of West Pharmaceutical Services, Inc. ( West, the Company, we, us, or our ) of proxies to be voted at the Company s 2006 Annual Meeting of Shareholders and at any adjournment or postponement. The meeting will be held on Tuesday, May 2, 2006, at 9:30 AM, at the Company s headquarters, 101 Gordon Drive, Lionville, Pennsylvania 19341. These proxy materials are being mailed on or about March 30, 2006. We will pay the cost of soliciting proxies. Proxies may be solicited on our behalf by Directors, officers or employees in person or by telephone, facsimile or other electronic means.

**Purpose of the Meeting**

At the Annual Meeting, shareholders will act on the matters outlined in the notice of meeting on the cover page of this Proxy Statement, including the election of Directors. In addition, management will report on the performance of the Company and respond to your questions.

**Shareholders Entitled to Vote**

You may vote at the meeting only if you were a shareholder of record at the close of business on March 24, 2006. If you were a shareholder of record on that date, you will be entitled to vote all of the shares that you held on that date. Each outstanding share of the Company s common stock, par value \$.25 per share, will be entitled to one vote on each matter considered at the meeting.

**Shareholders of Record and Beneficial Owners**

If your shares are registered directly in your name with West's transfer agent, American Stock Transfer & Trust Co., you are considered, with respect to those shares, the shareholder of record. The Notice of Annual Meeting, Proxy Statement, Annual Report and proxy card have been sent directly to you by West.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. The proxy materials and Annual Report referred to above have been forwarded to you by your broker, bank or other holder of record who is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the proxy card included in the mailing or by following their instructions for voting on the Internet.

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## How to Vote

You may vote using any of the following methods:

**By Mail.** Be sure to complete and sign the enclosed proxy card and return it in the pre-paid envelope. If you are a shareholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the Board of Directors.

**On the Internet.** The Internet voting procedure is designed to authenticate votes cast by use of a personal identification number. The procedure allows shareholders to appoint a proxy and provide voting instructions and to confirm that their actions have been properly recorded. The website for Internet voting is [www.voteproxy.com](http://www.voteproxy.com). Specific instructions to be followed are set forth on the enclosed proxy card. Please have your proxy card handy when you go online. Internet voting facilities for shareholders of record will be available 24 hours a day, and will close at 11:59 PM Eastern Time on May 1, 2006.

**In Person at the Annual Meeting.** If you are a shareholder of record and attend the meeting, you may deliver your completed proxy card in person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the judge of elections with your ballot to be able to vote.

## Changing Your Vote

Even after you have submitted your proxy, you may revoke or change your vote at any time before the proxy is exercised by filing with the Company's Secretary either a notice of revocation or a duly executed proxy bearing a later date. You may also vote in person at the meeting, although attendance at the meeting will not by itself revoke a previously granted proxy.

## Voting Requirements to Elect Directors

A quorum is necessary to take action at the meeting. A quorum means that shareholders of record holding at least a majority of the outstanding shares of the Company's common stock are present, either in person or represented by proxy. As of the record date, 32,359,367 shares of common stock were outstanding. Proxies received but marked as abstentions and broker non-votes will be included in the calculation of the number of votes considered to be present at the meeting. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. If you are a beneficial owner, your bank, broker or other holder of record is permitted to vote your shares on the election of Directors even if the broker does not receive voting instructions from you.



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Directors will be elected by plurality vote. This means that the Director nominee with the most votes for a particular slot is elected for that slot. Only votes for affect the outcome. Votes withheld from Director nominees, abstentions and broker non-votes are not considered to be votes, and therefore will have no effect on the outcome of the vote.

### **Voting on Other Matters**

Other matters to be voted on at the meeting will be determined by a majority of the votes cast at the meeting. At the date this Proxy Statement was printed, we did not know of any other matters to be raised at the Annual Meeting. If other matters are properly presented for consideration, the persons named in your proxy card will have the discretion to vote on those matters for you.

## **Governance of the Company**

West's corporate governance leadership was recognized by Institutional Shareholders Services, which listed the Company in the Top Ten Corporate Governance Quotient Rankings in the Russell 3000 Index.

### **Governance Principles**

Our Board of Directors' Corporate Governance Principles, which include guidelines for determining director independence and qualifications for directors, are attached to this Proxy Statement as Annex I. All of West's corporate governance materials, including the Corporate Governance Principles and Board committee charters, are published on our website at [www.westpharma.com](http://www.westpharma.com) under the *Investor Corporate Governance* captions. You may also receive a copy of these materials upon request from the Company's Secretary. The Board of Directors regularly reviews corporate governance developments and modifies its Corporate Governance Principles and committee charters as warranted. Any modifications are reflected on our website.

All members of the Audit, Compensation and Nominating and Corporate Governance Committees must be independent directors as defined by the Corporate Governance Principles. Members of the Audit Committee must also satisfy a separate Securities and Exchange Commission independence requirement, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from West or any of its subsidiaries other than their directors' compensation.

### **Code of Business Conduct**

All of our employees, officers and directors are required to comply with the Company's Code of Business Conduct and related corporate policies and procedures. The purpose of the Code of Business Conduct is to provide guidance to employees on how to recognize and resolve properly the ethical and legal issues they may encounter in conducting the Company's business, to provide a way of reporting unethical conduct and to help promote a culture of honesty, integrity and fairness. The Code of Business Conduct and related policies and procedures cover basic principles and practices such as our commitment to product and service quality, accurate accounting records and financial reporting, conflicts of interest, the protection and use of Company property and information, and compliance with legal requirements applicable to our operations.

Employees are required to report any actual or apparent violations of the Code. The Code also provides for the anonymous submission of complaints or suspected violations of the Code that concern an accounting, internal accounting controls or auditing matter directly to the Audit Committee of the Board, as required by the Sarbanes-Oxley Act of 2002.

The full text of the Code of Business Conduct can be found on our website at [www.westpharma.com](http://www.westpharma.com) under the *Investor Corporate Governance* captions. A printed copy of the Code may also be obtained upon request from the Company's Secretary. There have been no waivers of the Code.

### **Communicating with the Board**

Shareholders can communicate with the Chairman, Independent Directors or the non-management Directors as a group by sending a letter addressed as follows:

The Board of Directors

c/o John R. Gailey III

Vice President, General Counsel and Secretary

West Pharmaceutical Services, Inc.

101 Gordon Drive

Lionville, PA 19341

Communications to a particular Director should be addressed to that Director at the address shown above. The Vice President, General Counsel and Secretary maintains a log of all communications received by the Board of Directors through this process. Communications to specific Directors are forwarded to those Directors. All other communications to the Board are transmitted directly to the Chairman, Independent Directors who makes the determination as to whether these messages should, in turn, be forwarded to a particular Board committee or to management for further handling.

### **Recommending Candidates for the Board of Directors**

The Nominating and Governance Committee serves as our Nominating Committee. To identify new, non-management director candidates, the Nominating Committee considers individuals suggested or recommended from a variety of sources, including Nominating Committee members, other members of the Board, members of management, customers, suppliers, advisors to the Board and the Company's security holders. The Nominating Committee has not in the past employed a third-party search firm, but it reserves the right to do so should it deem it appropriate. All persons recommended for nomination to the Board, regardless of the source of the recommendation, are evaluated in the same manner by the Nominating Committee.

Any recommendations for director candidates should be submitted in writing to the Chairman of the Nominating and Corporate Governance Committee at the address listed above. The written recommendation must contain or be accompanied by the following information:

the name and address of the nominating shareholder as they appear on the Company's books;

the number and class of shares of the Company that are beneficially owned by the nominating shareholder;

as to each recommended nominee: (1) his or her name, age, business address and, if known, residence address, (2) his or her principal occupation or employment, (3) the number and class of the Company's securities beneficially owned by him or her, (4) information necessary to determine if such recommended nominee is an independent director as outlined in the Company's Bylaws and (5) any other information regarding the recommended nominee that is required to be included in a proxy statement filed with the SEC;

a description of all arrangements or understandings among the shareholder and each recommended nominee and any other persons pursuant to which the recommended nomination is to be made by the nominating shareholder;

the consent of each recommended nominee to serve as a Director of the Company if so elected; and

reasons that the person recommended would be a desirable member of the Board.

The Board believes that diversity and a mix of backgrounds and expertise among members of the Board collectively enhances its ability to understand issues and challenges facing the Company. The particular background, experience or expertise required in this mix may vary from time to time.

**Director Qualification Standards and Director Independence**

Pursuant to New York Stock Exchange requirements, our Board of Directors has adopted a formal set of categorical Director Qualification Standards with respect to the determination of Director independence, which meet, and in some cases exceed, the listing standards of the New York Stock Exchange. The Director Qualification Standards regarding Director independence are attached to this Proxy Statement as Annex II.

In accordance with these Standards, the Board undertook its annual review of Director independence. During the review, The Board considered transactions and relationships between each Director and member of his or her immediate family and the Company and its subsidiaries and affiliates. The Board also considered charitable contributions to not-for-profit organizations of which our Directors or immediate family members are executive officers, none of which approached the levels set forth in our Director Qualification Standards. As a result of this review, the Board affirmatively determined that all of the Directors, including those nominated for election at the Annual Meeting, are independent of the Company and its management, with the exception of Dr. Morel, the Chairman and CEO of the Company.

#### Executive Sessions of Independent Directors and Chairman, Independent Directors

Executive sessions or meetings of outside non-management Directors without management present are held regularly to conduct a self-assessment of the Board's performance and to review management's strategy and operating plans, the criteria by which the Chairman and CEO and other senior executives are measured, the performance of the Chairman and CEO against those criteria, and any other relevant topics. Last year, outside Directors held six executive sessions.

One independent Director is designated as Chairman, Independent Directors. The Chairman, Independent Directors confers with the Chief Executive Officer on the Board's agenda items and information requirements. He also calls meetings of the independent Directors and presides at executive sessions of the independent Directors. Mr. Longfield is the current Chairman, Independent Directors.

#### Board and Committee Membership

The Company is governed by our Board of Directors. All Directors attended more than 75% of the total number of meetings of the Board and the committees on which he or she served. Under the Company's Corporate Governance Principles, each Director is expected to attend the Annual Meeting of Shareholders unless prevented from doing so by illness or emergency.

During 2005, the Board met six times and had four Committees: an Audit Committee; a Compensation Committee; a Finance Committee; and a Nominating and Corporate Governance Committee. The Board has adopted a written charter for each of these committees, copies of which are posted on the Company's website, [www.westpharma.com](http://www.westpharma.com), under the *Investor Corporate Governance* captions. You may obtain a printed copy of each committee's charter upon request from the Company's Secretary. The following table provides 2005 membership and meeting information for each of the Board committees:

Director	Audit	Compensation	Nominating and Corporate Governance	Finance
Tenley E. Albright			X	
Jenne K. Britell				
George W. Ebright	X			X
L. Robert Johnson		X*	X	
Paula A. Johnson				
William H. Longfield		X	X*	
Donald E. Morel, Jr.				
John P. Neafsey	X			X*
Anthony Welters				