

**Charter  
of the  
Compensation Committee  
of the  
Board of Directors  
of  
Cambrex Corporation**

**I. Purpose**

The primary purposes of the Committee are (i) to discharge the responsibilities of the Board relating to compensation of the Corporation's Chief Executive Officer (the "CEO") and other executive officers, (ii) to produce an annual report on executive compensation for inclusion in the Corporation's annual proxy statement that complies with the rules and regulations of the Securities and Exchange Commission, the New York Stock Exchange and any other applicable rules and regulations, and (iii) to oversee and advise the Board on the adoption of policies that govern the Corporation's compensation programs, including stock and benefit plans.

**II. Membership**

1. The Committee shall be comprised of three or more directors, as determined by resolution of the Board, each of whom in the judgment of the Board shall be independent.
2. A person may serve on the Committee only if he or she is (i) a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code, and (iii) is "independent" in accordance with New York Stock Exchange listing standards.
3. Consistent with the appointment of other Board committees, the members of the Committee shall be appointed by the Board [after considering the recommendation of the Nominating/Corporate Governance Committee] at the annual organizational meeting of the Board or at such other time as may be determined by the Board.
4. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified.
5. The Chair of the Committee shall be designated by the Board, provided that if the Board does not so designate a Chair, the members of the Committee, by majority vote, may designate a Chair.

### **III. Duties and Responsibilities**

The Committee shall have the following duties and responsibilities:

1. Review annually and approve corporate goals and objectives relating to compensation of the CEO, evaluate at least once a year the CEO's performance in light of these established goals and objectives, and set the compensation level of the CEO based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee shall consider the Corporation's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the CEO in past years.
2. Review annually and approve the evaluation process and compensation structure for the Corporation's officers, and operating company or business unit presidents and general managers. The Committee shall oversee the evaluation of the performance of the CEO's direct reports and shall approve their annual compensation, including salary, bonus, incentive and equity compensation.
3. For all officers, and operating company or business unit presidents and general managers, review and recommend to the Board for approval any employment agreements, severance arrangements, change in control agreements or provisions, and any special or supplemental benefits, in each case as, when and if appropriate.
4. Review and recommend incentive compensation plans for officers and key employees and all equity-based plans of the Corporation, and recommend changes to these plans to the Board.
5. Review and recommend to the Board for its consideration and approval each change to a tax-qualified employee benefit plan of the Corporation with an incremental annual cost to the Corporation of more than \$1,000,000.
6. Review the competitiveness of the Corporation's executive compensation programs to ensure (a) the attraction and retention of corporate officers and other key employees, (b) the motivation of corporate officers and other key employees to achieve the Corporation's business objectives, and (c) to align the interest of key leadership with the long-term interests of the Corporation's shareholders.
7. Produce an annual report on executive compensation for inclusion in the Corporation's proxy statement.
8. Perform such duties and responsibilities as may be assigned to the Board or the Committee under the terms of any executive compensation plan, incentive compensation plan or equity-based plan, including making and authorizing grants, in accordance with the terms of those plans.

9. The Committee shall report its actions and any recommendations to the Board after each Committee meeting.

10. The Committee shall conduct and present to the Board an annual performance evaluation of the Committee and recommend to the Board such changes in composition, charter or manner of operation as may be necessary to assure that it carries out its responsibilities effectively.

11. Perform such other activities consistent with this charter, the Corporation's By-Laws, governing law, the rules and regulations of the New York Stock Exchange and such other requirements applicable to the Corporation as the Committee or the Board deem necessary or appropriate.

#### **IV. Meetings**

1. The Committee shall meet at least once each year and hold such other meetings from time to time as the Committee or its Chairman deems necessary to carry out its duties and responsibilities. The presence in person or by telephone of a majority of the Committee's members shall constitute a quorum for any meeting of the Committee. All actions of the Committee shall require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present.

2. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

3. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities and make copies of such minutes available to the Board.

#### **V. Delegation**

The Committee shall have the authority to delegate any of its responsibilities to subcommittees of one or more of its members as the Committee may deem appropriate in its sole discretion, provided any action taken by a subcommittee is subsequently reported to the Committee and ratified.

#### **VI. Engaging Consultants**

The Committee shall have sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or management compensation and shall have sole authority to approve the consultant's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.