

**Corporate Governance Principles**  
**Adopted on October 28, 2003**  
**(Amended and Restated on December 12, 2017)**

The Board of Directors (the “Board”) of West Pharmaceutical Services, Inc. (the “Company”) has adopted these principles to promote the effective operation of the Board and lay out a common framework for how the Board, its committees, individual directors and management should perform their duties. These principles, together with the Company’s Restated Articles of Incorporation, Bylaws, Board Committee charters and Code of Business Conduct, provide the overall framework for the governance of the Company. They are not intended to limit, expand or change the responsibilities of the directors as determined by applicable law and the Articles, Bylaws and charters.

**A. Role of the Board**

**1. Functions of the Board of Directors**

The responsibility of the Board is to supervise and direct the management of the Company’s business and affairs. Except for matters reserved to the shareholders, the Board is the ultimate decision-making body of the Company. Directors must exercise their business judgment and act in good faith in what they reasonably believe to be the best interests of the Company. The directors must fulfill their responsibilities consistent with their fiduciary duties to the Company and to its shareholders, in compliance with all applicable laws and regulations, they may also take into account the interests of other constituencies, including employees, customers, suppliers and the communities in which the Company operates.

In addition to other responsibilities outlined below, the Board, acting directly or through Committees, has the following duties:

- a. Overseeing the conduct of the Company’s business to evaluate whether the business is being properly managed;
- b. Reviewing, approving, and monitoring overall operating, financial and strategic plans, operating goals and performance of the Company;
- c. Approve the most significant policies and procedures of the Company;
- d. Selecting, evaluating, retaining and approving the compensation of the Company’s Chief Executive Officer (the “CEO”), and providing oversight of the selection, evaluating and compensation of other executive officers;
- e. Planning for succession with respect to the position of CEO and monitoring management’s succession planning for other key executives;

- f. Communicate as appropriate to the CEO and the CEO's direct reports the importance the Board places on personal commitment to high ethical standards, principles of fair dealing and full compliance with legal requirements; overseeing appropriate policies of corporate conduct and compliance with laws;
- g. Reviewing the major risks facing the Company and the measures implemented by Management to address and mitigate such risks;
- h. Oversee the process used by the Company to make charitable contributions and ensure the Company's policy prohibiting political contributions is effectively implemented.

The Board may, by resolution, delegate its authority to Company management or to Committees of the Board, subject to applicable law, regulation or listing standard. In this regard, the Board has delegated to the CEO, working with the other executive officers of the Company and its affiliates, the authority and responsibility for managing the business of the Company consistent with the standards of the Company and according to any specific instructions or directions of the Board.

Board review and approval of significant actions or transactions may be appropriate because of legal or regulatory requirements, the materiality of the transaction to the Company's financial performance, risk profile or business, or other factors, such as entering into a new line of business or variation from the Company's strategic plan. The Board may develop standards for determining what types of transactions should be submitted to the Board for prior review and approval.

## **B. Selection and Composition of the Board**

### **1. Board Composition and Director Qualifications**

*Size of the Board.* The Board believes that generally 8 to 12 directors is an appropriate size. The Board recognizes, however, that at times more than 12 directors may be appropriate to accommodate the availability of one or more outstanding candidates or to ensure that particular expertise or backgrounds are represented on the Board.

*Majority of Independent Directors.* It is the policy of the Board that a substantial majority of the directors be independent of the Company and the Company's management (the "Independent Directors"). The Board will affirmatively determine annually and at other times required by the listing standards that the directors designated as Independent Directors have no direct or indirect material relationships to the Company that may interfere with the exercise of their independence from management and the Company. In making this determination, the Board broadly considers all relevant facts and circumstances and applies the following standards:

- a. A director who is, or has been within the last three years, an employee of the Company, or whose immediate family member is, or has been within the last three years, an executive officer of the Company, is not independent.
- b. A director who has received, or who has an immediate family member who has received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service with the Company (provided that such compensation is not contingent in any way on continued service), is not independent.
- c. (A) A director who is a current partner or employee of a firm that is the Company's external auditor; (B) a director who has an immediate family member who is a current partner of such firm; (C) a director who has an immediate family member who is a current employee of such firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) a director who was, or whose immediate family member was, within the last three years a partner or employee of such a firm and personally worked on the Company's audit within that time is not independent.
- d. A director who is, or whose immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee is not independent.
- e. A director who is an executive officer or employee, or whose immediate family member is an executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues is not independent.
- f. No director, or immediate family member of a director, may serve as a paid consultant or advisor to the Company or to any executive officer of the Company, or may have a personal services contract with the Company or with any executive officer of the Company.

Audit Committee members may not have any direct or indirect financial relationship with the Company other than as directors, and may not be affiliated persons of the Company. Audit Committee members may receive directors' fees, in the form of cash, stock, stock units or other in-kind consideration ordinarily available to directors.

The following not-for-profit relationship will not be considered to be a material relationship that would impair a director's independence: if a director of the Company, or

a director's spouse, serves as an executive officer of a not-for-profit organization, and the Company's or the Herman O. West Foundation's discretionary annual charitable contributions to the organization, in the aggregate, are less than \$1 million or 2% of that organization's annual revenues, whichever is greater.

In addition, in affirmatively determining the independence of any director who will serve on the Compensation Committee, the Board will consider all factors specifically relevant to determining whether a director has a relationship to the Company that is material to that director's ability to be independent from management in connection with the duties of a Compensation Committee member, including:

- i. the source of compensation of the director, including any consulting, advisory or other compensatory fee paid by the Company to the director; and
- ii. whether the director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

Each director must disclose to the Board any other circumstances that he or she believes could pose a conflict, including any consulting or personal services contracts between the director and the Company and any Company contributions to charitable institutions with which the director has significant affiliations.

For purposes of these Principles, the terms:

- o "affiliate" means any consolidated subsidiary of the Company and any other Company or entity that controls, is controlled by or is under common control with the Company, as evidenced by the power to elect a majority of the board of directors or comparable governing body;
- o "executive officer" means an "officer" within the meaning of Rule 16a-1(f) under the Securities Exchange Act of 1934; and
- o "immediate family" means spouse, parents, children, siblings, mothers- and fathers-in-law and anyone (other than employees) sharing a person's home, but excluding any person who is no longer an immediate family member as a result of legal separation or divorce, or death or incapacitation.

*Board Membership Criteria.* The Board strives in its membership profile to have a mix of diverse individuals possessing the skills, experience, expertise and perspective that enhance the ability of the directors collectively to understand the issues facing the Company and to fulfill the Board's and Board Committees' duties. The Board and the Nominating and Corporate Governance Committee will periodically review the experience and characteristics appropriate for board members and director candidates in light of the Board's composition at the time, and the skills and expertise needed for the

effective operation of the Board and its committees. It is the policy of the Board that the Board reflects the following characteristics:

- Each director must at all times exhibit high standards of integrity, commitment and independence of thought and judgment.
- The Board as a whole will contain a range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to all of the Company's operations and interests, which may include experience at senior levels of public companies, leadership positions in the healthcare or public-health fields, science or technology backgrounds and financial expertise.
- Each director should exhibit confidence and a willingness to express ideas and engage in constructive discussion with other Board members, Company management and all relevant persons.
- Each director should be willing and able to devote sufficient time, energy and attention to the affairs of the Company.
- Each director should actively participate in the decision-making process, be willing to make difficult decisions in the best interest of the Company and its shareholders, and demonstrate diligence and faithfulness in attending Board and committee meetings.
- Each director should be free of any conflict of interest that would impair the director's ability to fulfill the duties of a member of the Board of Directors.

*Board Diversity.* The Board considers it to be important that the director nomination process takes into account a diverse mix of background, age, gender, sexual orientation, cultural and ethnic composition that is most appropriate to the Company's long-term business needs.

The Nominating and Corporate Governance Committee is responsible for articulating, refining and recommending to the full Board specific criteria for board membership to supplement the general criteria set forth in these Principles to ensure there is proper Board composition to meet the current and long-term business needs of the Company.

## **2. Selection of Directors**

The Board is responsible for selecting its own members. The Board delegates to the Nominating and Corporate Governance Committee the process of identifying, evaluating and recommending candidates for election to the Board by the shareholders at their annual meeting and, as appropriate, by the Board itself between such meetings.

Persons considered for initial election to the Board are sourced in the manner the Nominating and Corporate Governance Committee deems to be most appropriate with

the goal of identifying several well-qualified candidates for each open director slot. The Committee employs a screening process that includes personal interviews, reference checks and background checks.

With respect to directors standing for re-election, the Nominating and Corporate Governance Committee annually evaluates each director as well as the director's skills, experience, etc. against the requirements of the Board and its shareholders before deciding whether to recommend the director for inclusion on the slate of nominees to be submitted to the shareholders.

Directors are expected to devote an amount of time to the business of the Board sufficient to responsibly fulfill their commitments to the Company and effectively represent shareholder's interest. To that end, directors are not to undertake commitments as directors of other for profit entities (whether or not publicly traded) that could impair their ability to devote sufficient time and attention to the Company's Board duties. The Board believes that directors should not sit on more than four other public-company boards and no member of the Board's Audit Committee may sit on more than three audit committees of publicly-traded companies. The Board may, however, make exceptions to this standard as it deems appropriate in the interest of the Company's shareholders. In the event that a director wants to join the board of directors of another for profit entity (whether or not publicly traded), the director must notify the Chairman of the Board or the Chairman, Independent Directors (as the case may be) before accepting an appointment to such other board. The Nominating and Corporate Governance Committee will timely review the request, by conducting due diligence that considers potential conflicts of interest and any applicable legal requirements and make a recommendation to the full Board. The Board will then approve or deny the request and inform the requesting director promptly.

The Company assists the Board by providing an orientation program for directors who are new to the Board or who are new members of board committees. The Company also makes continuing education opportunities available with respect to governance responsibilities, industry practices, market developments and particular issues facing directors.

## **C. Board Leadership**

### **1. Board Leadership**

The Board shall annually elect the Chairman of the Board, who may or may not be the CEO. The Board may in its discretion separate the roles of Chairman of the Board and CEO if it deems advisable and in the best interest of the Company to do so.

The Chairman of the Board shall preside at all meetings of the shareholders and shall chair all meetings of the Board. In addition, the Chairman of the Board shall perform all duties which may be required by law and such other duties as are specified from time to time by the Board.

If the Chairman of the Board is not an Independent Director, the Board shall annually elect a Chairman, Independent Directors to preside over executive sessions of the Company's Independent Directors, facilitate the flow of information and communication between the Independent Directors and the Chairman of the Board, and perform such other duties as may be specified from time to time by the Board. The responsibilities of the Chairman, Independent Directors will include:

- a. presiding at all sessions of the independent directors;
- b. calling meetings of the independent directors whenever he or she deems appropriate;
- c. approving agendas and schedules for each Board meeting;
- d. approving and reviewing minutes of meetings of the Board;
- e. conferring with the CEO to assure that (i) board agendas contain those items that the independent directors believe are important to their understanding and evaluation of the Company and its affairs and (ii) information provided to and presentations made to the Board, and other communications are in keeping with the Board's needs and wishes;
- f. acting as chairman for Board discussion of any subject where the CEO would not, in the judgment of the Chairman, Independent Directors, be the appropriate person to chair such discussion;
- g. serving as principal liaison between the CEO and the independent directors; and
- h. performing such other duties as the Board may from time to time delegate to assist the Board in fulfilling its responsibilities.

No director may serve more than four annual terms as Chairman, Independent Directors, unless the Board determines that it is appropriate to extend this limit.

## **2. Acting Chairman of the Board**

If the Chairman dies or becomes incapacitated, the Chairman, Independent Directors will assume the role and carry out the duties until the next meeting of the Board. If there is no Chairman, Independent Directors, then the Chairman of the Nominating and Corporate Governance Committee shall assume the role of Chairman of the Board until such time as the Board shall meet to select a successor Chairman on either a permanent or temporary basis as the Board shall determine.

When the roles of Chairman and CEO are split and if the CEO dies or becomes incapacitated, the Chairman will assume the role and carry out the duties of the CEO until

the next meeting of the Board. The Board shall then select a successor CEO on either a permanent or temporary basis as the Board shall determine.

## **D. Board Performance**

### **1. Director Conduct and Review**

The Board has previously adopted a Code of Business Conduct that applies to all employees, officers and directors of the Company. The Board is responsible for the oversight of the Code of Business Conduct and periodically evaluates the Code to ensure that it conforms to applicable laws and best practices. Members of the Board comply at all times with the Code of Business Conduct and programs and procedures that apply to them. Any waiver of the Code of Business Conduct pertaining to an individual director must be reported to, and be subject to the approval of, the Board of Directors. In addition, all directors are expected to:

- a. become familiar with the Company's business, the factors that drive the business and the Company's public disclosures;
- b. review in advance of Board meetings any preparatory materials provided to them;
- c. attend all regularly scheduled Board and committee meetings, unless prevented from doing so by special circumstances; and
- d. attend the Annual Meeting of Shareholders unless prevented from doing so due to illness or unavoidable conflict.

The Board conducts an annual evaluation to determine whether the Board and each of the Committees are functioning effectively and seeks to identify any areas in need of improvement or strengthening. The Nominating and Corporate Governance Committee is responsible for ensuring that the annual review and evaluation are carried out.

### **2. Board Tenure Policy**

The Board does not believe it should limit the number of terms a director can serve because the Board believes term limits may cause the loss of experience and expertise that are critical to the operation of the Board. The Board believes that the long-term success of the Company depends on a continual refreshment of the Board which in turn ideally results in a mixture of long and shorter tenured directors at any given time.

As a matter of principle, a director who has reached the age of seventy-five (75) will not be nominated for re-election at the next succeeding Annual Meeting of Shareholders and will be considered retired at that meeting. The Board may make individual exceptions to this policy to allow the retiring director to serve up to only one additional year and only where such an exception is in the best interests of the shareholders. Each employee

director must submit his or her resignation to the Nominating and Corporate Governance Committee effective the date he or she ceases to be an executive of the Company.

When a director has a significant change in principal employment or career, the director must submit his or her resignation to the Nominating and Corporate Governance Committee, which will then be responsible for recommending to the Board whether or not to accept the resignation. The Board is free to accept or reject this letter of resignation, and will act promptly with respect to the letter and promptly notify the director of its decision.

A director may resign from the Board at any time, but preferably with at least three months' written notice to the Chairman of the Board. A resigning director will be deemed to have retired as of the effective date of such resignation.

### **3. Continuing Education**

Each director is expected to be involved in continuing director education on an ongoing basis to enable the director to better perform his/her duties and to recognize and deal appropriately with issues that arise. The Company shall pay all reasonable expenses related to continuing director education.

### **4. Interaction with Institutional Investors, Press, Customers, Etc.**

Shareholders can communicate directly with the Board, any individual director or any of the Board's committees by mailing correspondence to: Board of Directors – West Pharmaceutical Services, Inc., 530 Herman O. West Drive, Exton, PA 19341.

### **5. Confidentiality**

The proceedings and deliberations of the Board and its committees and advisers are confidential. In addition, through the course of service as Board members, Board members may acquire trade secrets, proprietary information and other confidential, non-public information of the Company. Each Board member is expected, during and after his/her service as a director, to maintain the confidentiality of all information received in connection with his/her service as a director.

## **E. Board Committees**

### **1. Board Committees and Committee Membership**

The Board establishes Committees from time to time to facilitate and assist in the execution of the Board's responsibilities. The Board currently has five standing committees: Audit, Compensation, Finance, Nominating and Corporate Governance, and Innovation and Technology. The Board may establish additional committees as it deems necessary or appropriate. Each committee has a written charter of responsibilities, duties and authorities, which is periodically reviewed by the Board. Each committee reports to

the full Board on the committee's activities, findings and recommendations after each meeting. Each committee conducts an annual evaluation of its performance.

The Audit, Compensation, Finance and Nominating and Corporate Governance committees must be composed solely of independent directors as defined in these Principles and any applicable regulatory requirements or listing standards. Each member of the Audit Committee must meet the additional requirements of the NYSE listing standards and any other legal requirements for members of this committee. Each member of the Compensation Committee must, in addition to being independent, meet the requirements of Section 162(m) of the Internal Revenue Code and regulations adopted pursuant to that statute, and be a "non-employee director" pursuant to Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

## **2. Assignment and Rotation of Committee Members**

After considering the requests of the various board members and after consultation with the CEO (and the Chairman, Independent Directors, as the case may be), the Nominating and Corporate Governance Committee no less than annually proposes committee assignments for each director. The appointment of committee members and the chairs of each committee will be made by the Board. The Board does not believe that it is in the best interests of the shareholders to impose a fixed time-based rotation of committee memberships and chairs, but will consider such rotations every three to five years, subject to the Board's determination of the needs of the Company at any particular time. Rotation of Audit Committee members who have been designated as financial experts may occur less frequently.

## **F. Board and Committee Meetings**

### **1. Board Meeting Procedures**

The Chairman of the Board (or the Chairman, Independent Directors, as the case may be) in consultation with the members of the Board, will determine the frequency and length of the Board meetings. Special meetings may be called from time to time as determined by the needs of the business. The Chairman is responsible for creating the agenda for each Board meeting. Each independent director may reasonably require inclusion of particular items on the agenda. Independent directors meet in regularly scheduled executive sessions and in special executive sessions as may be called by the Chairman of the Board (or the Chairman, Independent Directors, as the case may be). The same approach shall be applied to each of the Board's committees.

### **2. Attendance**

A director is expected to attend all Board meetings and meetings of committees on which the director serves, and to spend the time needed and meet as frequently as necessary to properly discharge the director's responsibilities. All directors are encouraged to attend annual meetings of shareholders when possible.

### **3. Board and Committee Materials**

Written material, both analytical and informational, that is important to the understanding of the Board and its Committees of a particular agenda item are distributed in advance to the members of the Board or Committee to enable meetings to be conducted efficiently and allow adequate time for questions the members may have about the agenda item. Advance material is delivered in sufficient time to allow the members to prepare for meetings. Management also regularly provides material and timely information about the Company, its financial condition and prospects, as well as matters relevant to each Committee. Directors may request that the CEO or appropriate members of senior management present to the Board information on specific topics relating to the Company and its operations.

### **4. Access to Management and Advisers**

Directors, individually and as a group, have full and free access to communicate with the Company's management. Members of senior management attend Board and committee meetings as required and are available for consultation upon a director's request. The Board and its Committees may retain the services of such advisers and experts, including counsel, as they deem appropriate, and any such advisers shall report directly to the Board or Committee that engages them. The Company shall pay the fees and expenses of any such advisers. The Board and its Committees may rely on the Company's senior executives and outside advisers and auditors.

## **G. Board Compensation**

### **1. Director Stock-Ownership Guidelines**

To align directors' interests with the long-term interests of shareholders, directors are expected to acquire within three years of appointment, and to retain during their tenure on the Board, shares of the Company's common stock having a market value of at least five times the amount of the annual cash retainer paid to each director. For purposes of these guidelines, restricted shares, deferred stock units or restricted stock units (whether or not the restrictions have lapsed), but not stock options, awarded to a director under a Company plan count toward his or her ownership goals.

### **2. Director Compensation**

The compensation of directors who are not employees of the Company will be determined annually by the Board of Directors acting on the recommendations of the Nominating and Corporate Governance Committee, which may obtain the advice of such experts as it deems appropriate. The Board believes that directors' total compensation should be at a level comparable to that provided by similarly situated U.S. companies and in a manner determined by the Board to be appropriate for attracting and retaining qualified directors while at the same time harmonizing the interests of the directors with

those of the Company's shareholders. The Board's policy is to provide a meaningful portion of a director's compensation in, or based on, the Company's common stock. The Company's practices with respect to Board compensation will be described in its annual Proxy Statement.

## **H. Leadership Development**

### **1. Evaluation of the Chief Executive Officer**

As part of its approval of the annual targets for the CEO and its consideration of his/her compensation, the Compensation Committee shall evaluate the performance of the CEO at least annually. This evaluation shall be reviewed with and discussed among the non-employee members of the Board, and should then be communicated to the CEO by the Chairman of the Board of Directors. The evaluation includes an assessment based on both subjective and objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of the management team and others.

### **2. Succession Planning**

The CEO makes an annual report to the Board on succession planning within the management ranks. The Compensation Committee shall, no less than annually, review succession plans for the CEO, the Company's named executive officers and such other key managers as the Compensation Committee shall determine from time to time and shall report out to the full Board for review and discussion.

### **3. Management Development**

The CEO makes an annual report to the Board on management development within the management ranks. The report includes the identification of key roles and the key development activities for each such role as well as a review of the Company's diversity program.

## **I. Executive Compensation**

1. The Company's principles for executive compensation are laid out in detail in the Annual Proxy Statement sent to shareholders prior to the Annual Meeting of Shareholders. Key elements of those compensation principles are:
  - a. Our compensation philosophy is to provide competitive executive compensation 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 reach these goals, we have a strong pay-for-performance element with a major portion of executive pay "at risk" based on achievement of financial

performance goals; require achievement of both operating performance and strategic objectives in order to obtain payouts; and we link management compensation with the interests of shareholders.

- b. Our compensation philosophy targets total direct compensation of our NEOs at the 50<sup>th</sup> percentile of comparator group companies.
- c. Only our CEO and CFO benefit from an employment agreement.
- d. We provide very limited perquisites.
- e. We provide no tax gross-ups except for instances when an executive has incurred a personal expense at the request of the Company and reimbursement thereof by the Company is deemed a taxable event.
- f. We prohibit our officers and directors from hedging, pledging or engaging in any derivatives trading with respect to our common stock.
- g. Our equity incentive plan prohibits the repricing or exchange of awards without shareholder approval.
- h. We conduct realizable-pay analyses on the compensation of our CEO and the CEO's direct reports and review tally sheets to provide additional benchmarking information on executive pay.
- i. We require a "double-trigger" feature and have not provided golden parachute excise tax gross-ups in any change-in-control agreements offered to executives after 2010, including our new CEO.
- j. We require our executive officers to meet share-ownership guidelines, and to take a portion of their bonus in shares until their ownership guidelines are met. The ownership guideline for our CEO is six times base salary and the guideline for our other executives is two times base salary.
- k. The Committee may cancel or recover any cash- or equity-based incentive compensation based on achievement of specified financial results that are the subject of a subsequent restatement. We will seek repayment of any amount determined to have been inappropriately received due to mathematical errors, fraud, misconduct or gross negligence.

## **J. Independent Auditor**

### **1. Non-audit Services**

Non-audit services are to be approved by the Audit Committee in advance in accordance with its Charter.

### **2. Auditor ratification**

The selection of the Company's independent auditor lies with the Board upon the recommendation of the Audit Committee. The Board shall put to the shareholders, for their ratification, no less than annually the selection of independent auditor made by the Board.

### **3. Auditor Review and Rotation Policy**

- a. The Audit Committee annually reviews the performance of the Company's independent auditing firm as well as the independence of that firm soliciting input from Management and the independent Directors.
- b. The Board will consider a change of the independent auditing firm in the following cases:
  - i. The auditing firm fails to adequately rotate the staff it assigns to audit the Company and its affiliates;
  - ii. The auditing firm experiences financial or reputational difficulties;
  - iii. The Board loses confidence in the ability of the independent audit firm to adequately perform its function; or
  - iv. Such other reasons that the Board deems appropriate to ensure the Company's shareholders are adequately protected.
- c. The Board does not believe it is in the best interests of the shareholders to have a set period of time for the rotation of the Company's independent auditor given the complexity of the Company's business and the multitude of jurisdictions in which the Company operates.

## **K. Review of Guidelines**

The Nominating and Corporate Governance Committee reviews from time to time (at least annually) these Guidelines and determines whether to recommend any changes to the Board.