

PATHEON INC
Form 4
March 12, 2014

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Gill Harry R III

(Last) (First) (Middle)
4721 EMPEROR BLVD, SUITE 200
(Street)

DURHAM, NC 27703

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PATHEON INC [PTI]

3. Date of Earliest Transaction
(Month/Day/Year)
03/11/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
SVP Quality and Cont Improve

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nur Sha
Employee Stock Option (Right to Buy)	\$ 2.21 ⁽¹⁾	03/11/2014	D			30,000	09/13/2013 ⁽⁶⁾	09/13/2017	Restricted Voting Shares	30
Employee Stock Option (Right to Buy)	\$ 1.85 ⁽¹⁾	03/11/2014	D			110,000 ⁽²⁾	⁽³⁾ (6)	06/17/2022	Restricted Voting Shares	11
Employee Stock Option (Right to Buy)	\$ 2.96 ⁽¹⁾	03/11/2014	D			100,000	⁽⁴⁾ (6)	09/17/2022	Restricted Voting Shares	10
Employee Stock Option (Right to Buy)	\$ 5.17 ⁽¹⁾	03/11/2014	D			50,000	⁽⁵⁾ (6)	06/05/2023	Restricted Voting Shares	50

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Gill Harry R III 4721 EMPEROR BLVD SUITE 200 DURHAM, NC 27703			SVP Quality and Cont Improve	

Signatures

Susan Downs,
Attorney-in-fact

03/12/2014

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The exercise price was converted from Canadian dollars based on the March 10, 2014 closing rate of exchange of 1.1105 Canadian dollars per U.S. dollars as quoted by Reuters. The actual exercise price is the Canadian dollar amount regardless of the exchange rate on

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the date of exercise.

- (2) This option was exercisable for a total of 150,000 shares of restricted voting shares, however, 40,000 shares underlying the option grant were cancelled for no value in connection with the Arrangement (as defined below)

The options may be exercised, in whole or in part, at any time and from time to time, on or after the earlier of: the achievement by

- (3) Patheon Inc. of US\$175,000,000 adjusted EBITDA during any fiscal year ending after the date of grant until expiry; or on or after June 18, 2017 until expiry.

- (4) The option vests in five equal annual installments on September 18, 2013, September 18, 2014, September 18, 2015, September 18, 2016 and September 18, 2017.

- (5) The option vests in five equal annual installments on June 6, 2014, June 6, 2015, June 6, 2016, June 6, 2017 and June 6, 2018.

Pursuant to the Arrangement Agreement (the "Agreement") by and between Patheon Inc. and JLL/Delta Patheon Holdings, L.P., dated as of November 18, 2013, on the effective date of the arrangement contemplated by the Agreement, this option was cancelled in exchange

- (6) for a cash payment equal to the product of (i) the excess of US\$9.32 over the exercise price per share of the option and (ii) the total number of shares underlying the option.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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