

PATHEON INC  
Form 4  
March 12, 2014

**FORM 4**

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

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

## OMB APPROVAL

OMB  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Grant Stuart

(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)

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 \_\_\_\_ Other (specify  
below) below)

Chief Financial Officer

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			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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SEC 1474  
(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 Securities (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	Amount Number Shares
Employee Stock Option (Right to Buy)	\$ 1.67 <sup>(1)</sup>	03/11/2014			D			393,000 <sup>(2)</sup>	<sup>(3)(5)</sup>	03/13/2022	Restricted Voting Shares	393,000 <sup>(2)</sup>
Employee Stock Option (right to buy)	\$ 1.85 <sup>(1)</sup>	03/11/2014			D			125,000	<sup>(4)(5)</sup>	06/17/2022	Restricted Voting Shares	125,000

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Grant Stuart 4721 EMPEROR BLVD SUITE 200 DURHAM, NC 27703	Chief Financial Officer

## Signatures

/s/ 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).
- 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 the date of exercise.
- (1) This option was exercisable for a total of 425,000 shares of restricted voting shares, however, 32,000 shares underlying the option grant were cancelled for no value in connection with the Arrangement.
  - (2) The option vests in five equal annual installments on March 14, 2013, March 14, 2014, March 14, 2015, March 14, 2016 and March 14, 2017.
  - (3) 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 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) 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 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

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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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