

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 \*  
Watchorn Derek John

(Last) (First) (Middle)  
16530 CONCESSION 8, RR1  
(Street)

SCHOMBERG, A6 L0G 1T0

(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  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Restricted Voting Shares	03/11/2014		M		174,035	A	11 225,473
Restricted Voting Shares	03/11/2014		D		225,473	D	\$ 9.32 0

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	8. Amount of Shares
Deferred Share Units	(1)	03/11/2014		M	174,035	(1) (1)	Restricted Voting Shares	17
Employee Stock Option (right to buy)	\$ 9.94 (3)	03/11/2014		D	5,000	04/21/2005(4) 04/21/2014	Restricted Voting Shares	5
Employee Stock Option (right to buy)	\$ 8.49 (5)	03/11/2014		D	5,000	06/09/2006(4) 06/08/2015	Restricted Voting Shares	5

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Watchorn Derek John 16530 CONCESSION 8 RR1 SCHOMBERG, A6 L0G 1T0	X			

## 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).

(1) Each Deferred Share Unit was the economic equivalent of one Restricted Voting Share. 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 (the "Arrangement") each Deferred Share Unit was automatically converted into the right to receive US\$9.32.

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- (2) Pursuant to the Agreement, on the effective date of the Arrangement each of these Restricted Voting Shares were automatically converted into the right to receive US\$9.32.

The exercise price was converted from C\$11.04 based on the March 10, 2014 closing rate of exchange of 1.1105 Canadian dollars per

- (3) 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.

This option was cancelled in the Arrangement in exchange for a cash payment equal to the product of (i) the excess of US\$9.32 over the

- (4) exercise price per share of the option and (ii) the total number of shares underlying the option. Any option with an exercise price equal to or greater than US\$9.32 was cancelled without consideration.

The exercise price was converted from C\$9.43 based on the March 10, 2014 closing rate of exchange of 1.1105 Canadian dollars per U.S.

- (5) dollars as quoted by Reuters. The actual exercise price is the Canadian dollar amount regardless of the exchange rate on the date of exercise.

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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