WEST PHARMACEUTICAL SERVICES INC
Form DEF 14A
March 27, 2008

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

# SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

| | |
|---|---|
| o | Preliminary Proxy Statement |
| o | **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))** |
| x | Definitive Proxy Statement |
| o | Definitive Additional Materials |
| o | Soliciting Material Pursuant to §240.14a-12 |

West Pharmaceutical Services, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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| (1) | Title of each class of securities to which transaction applies: |
| (2) | Aggregate number of securities to which transaction applies: |
| (3) | Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
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| (1) | Amount Previously Paid: |
| (2) | Form, Schedule or Registration Statement No.: |
| (3) | Filing Party: |
| (4) | Date Filed: |

**NOTICE OF 2008 ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 6, 2008**

Dear Shareholder,

The 2008 Annual Meeting of Shareholders of West Pharmaceutical Services, Inc. will be held at the Company s headquarters, 101 Gordon Drive, Lionville, Pennsylvania 19341, on Tuesday, May 6, 2008, at 9:30 AM. The items of business at the meeting are:

1. to elect Jenne K. Britell, Donald E. Morel, Jr., John H. Weiland and Robert C. Young as Class III Directors, each for a term of three years, and to elect Thomas W. Hofmann as a Class II Director for a term of two years;

2. to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2008 fiscal year; and

3. to transact such other business that may properly come before the meeting and any adjournment or postponement.

The Board of Directors unanimously recommends a vote FOR proposals 1 and 2 above.

As permitted by new Securities and Exchange Commission rules, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and our 2007 Annual Report are available at our web site at http://www.westpharma.com/na/en/Investors/Pages/ProxyMaterials.aspx, which does not have cookies that identify visitors to the site.

Only shareholders of record at the close of business on March 21, 2008, are entitled to notice of and to vote at the meeting or any postponement or adjournment of the meeting. You can vote by proxy on the Internet, or by dating, signing and returning the enclosed proxy in the enclosed envelope. It is important that your shares be represented and voted, whether or not you expect to attend the meeting in person.

By Order of the Board of Directors,

JOHN R. GAILEY III
*Vice President, General Counsel and Secretary*

March 27, 2008

**Important Notice Regarding the Availability of Proxy Materials for**

**the Shareholder Meeting May 6, 2008:**

**Our Proxy Statement and 2007 Annual Report to Shareholders are available at http://www.westpharma.com/na/en/Investors/Pages/ProxyMaterials.aspx.**

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**West PHarmaceutical Services, Inc.**

101 Gordon Drive

Lionville, Pennsylvania 19341

(610) 594-2900

# PROXY STATEMENT

## GENERAL INFORMATION ABOUT THE MEETING

### Proxy Solicitation

The Board of Directors is soliciting your proxy to vote on matters that will be presented at the Company s 2008 Annual Meeting of Shareholders and at any adjournment or postponement. This Proxy Statement, along with the accompanying proxy card or voting instructions, and the Company s Form 10-K Annual Report are being mailed on or about March 27, 2008. This Proxy Statement contains information on these matters to assist you in voting your shares.

A proxy is your legal designation of another person to vote on your behalf. By completing the enclosed proxy card, you are giving John R. Gailey III and William J. Federici the authority to vote your shares in the manner you indicate on the proxy card. Mr. Gailey and Mr. Federici have been appointed by the Board of Directors to act in that capacity.

Proxies may be solicited on our behalf by directors, officers or employees in person or by facsimile or other electronic means. We will pay the cost of soliciting proxies.

### Shareholders of Record and Beneficial Owners

If your shares are registered directly in your name with West s transfer agent American Stock Transfer & Trust Company, you are considered the shareholder of record of those shares. These proxy materials have been mailed directly to you by West.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the beneficial owner of shares held in street name. These proxy materials have been forwarded to you by your broker, bank or other holder of record who is considered the shareholder of record of those shares. As the beneficial owner, you have the right to direct your broker, bank or other holder of record on how to vote your shares by using the proxy card included in the mailing or by following their instructions for voting on the Internet.

If you are a beneficial owner, your bank, broker or other holder of record is currently permitted to vote your shares on the election of directors and the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm even if the broker does not receive voting instructions from you, but it generally is not entitled to vote on certain other matters unless it receives voting instructions from its customers. These are considered to be broker non-votes.

**Householding**

West has adopted the process referred to as householding for mailing the Proxy Statement and Annual Report to reduce the volume of duplicate information you receive and reduce the Company s printing and mailing costs. Householding means that shareholders who share the same last name and address will receive only one copy of the materials, unless we receive contrary instructions from any shareholder at that address. We will continue to mail a proxy card to each shareholder of record.

If you prefer to receive multiple copies of the proxy material at the same address, additional copies will be provided to you promptly upon written or oral request. If you are a shareholder of record, you may contact us by writing to the Vice President, General Counsel and Secretary, West Pharmaceutical Services, Inc., 101 Gordon Drive, Lionville, PA 19341 or by calling (610) 594-3319.

**Shareholders Entitled to Vote**

You are entitled to receive notice of and to vote at the meeting only if you were a shareholder of record at the close of business on March 21, 2008. If you were a shareholder of record on that date, you will be entitled to vote all of the shares that you held on that date. Each outstanding share of the Company s common stock, par value $.25 per share, will be entitled to one vote on each matter considered at the meeting. As of the record date, 32,286,214 shares of West common stock were issued and outstanding.

**Quorum**

A quorum is necessary to take action at the meeting. A quorum means that shareholders of record holding at least a majority of the outstanding shares of the Company s common stock are present, either in person or represented by proxy. Votes withheld from director nominees, abstentions and broker non-votes will be counted in determining the presence of a quorum.

**Voting Requirements**

Directors will be elected by plurality vote. This means that the director nominee with the most votes for a particular slot is elected for that slot. You may vote for or withheld with respect to the election of directors. Other matters are determined by a majority of the votes cast, including ratification of the appointment of PricewaterhouseCoopers LLP.

Any shares you may hold in the West 401(k) Plan have been added to your other holdings on your proxy card. Your completed proxy card serves as voting instructions to the trustee of the plan. You may direct the trustee how to vote your plan shares by submitting your proxy vote for those shares, along with the rest of your shares, by Internet or mail, all as described on the enclosed proxy card. If you do not instruct the trustee how to vote, your plan shares will be voted by the trustee in the same proportion that it votes shares in other plan accounts for which it did receive timely voting instructions.

**Voting Methods**

You may vote using any of the following methods:

*Proxy Card or Voting Instruction Card.* Be sure to complete, sign and date the card and return it in the prepaid envelope. If you are a shareholder of record and return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote **FOR** the election of directors and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm on your behalf.

*Via the Internet.* The Internet voting procedure is designed to authenticate votes cast by use of a personal identification number. The procedure allows shareholders to appoint a proxy and provide voting instructions and to confirm that their actions have been properly recorded. The website for Internet voting is www.voteproxy.com. Specific instructions to be followed are set forth on the enclosed proxy card. Please have your proxy card handy when you go online. Internet voting facilities for shareholders of record will be available 24 hours a day, and will close at 11:59 PM Eastern Time on May 5, 2008.

*In Person at the Meeting.* If you are a shareholder of record and attend the meeting, you may deliver your completed proxy card in person. If you are a beneficial owner, you must obtain a proxy from your broker, bank or other holder of record and present it to the judge of elections with your ballot to be able to vote.

**Changing Your Vote**

Even after you have submitted your proxy, you may revoke or change your vote at any time before the proxy is exercised by filing with the Company s Secretary either a notice of revocation or a duly executed proxy bearing a later date. You may also vote in person at the meeting, although attendance at the meeting will not by itself revoke a previously granted proxy.

**Other Matters**

As of the date this Proxy Statement was printed, we did not know of any other matters to be raised at the Annual Meeting. If other matters are properly presented for consideration, the persons named in your proxy card will have the discretion to vote on those matters for you.

## GOVERNANCE OF THE COMPANY

### Governance Information

**Governance Principles**

Our Board of Directors has adopted Corporate Governance Principles, which include guidelines for determining director independence and qualifications for directors, are published on our website at www.westpharma.com under the *Investors Corporate Governance* captions. You may also receive a printed copy of the Corporate Governance Principles upon request from the Company s Secretary. The Board regularly reviews corporate governance developments and modifies the Corporate Governance Principles as warranted. Any modifications are reflected on our website.

**Director Qualifications**

The Board and the Nominating and Corporate Governance Committee consider, at a minimum, the following factors in recommending potential new Board members or the continued service of existing members:

- A director is nominated based on his or her professional experience. A director s traits, expertise and experience add to the skill-set of the Board as a whole and provide added value in areas needed for the Board to operate effectively.

- A director must have high standards of integrity and commitment, and exhibit independence of judgment, a willingness to ask hard questions of management and the ability to work well with others.

- A director should be willing and able to devote sufficient time to the affairs of the Company and be free of any disabling conflict.

- All of the directors, except for the chief executive officer, should be independent as outlined in West s Independence Standards.

- A 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.

- A director should actively participate in the decision-making process, be willing to make difficult decisions, and demonstrate diligence and faithfulness in attending Board and committee meetings.

• The Board generally seeks active or former senior level executives of public companies, particularly companies with international operations, leaders in the healthcare or public health fields and individuals with financial expertise.

**Director Independence**

The Board of Directors has determined that to be considered independent, a director may not have a direct or indirect material relationship with the Company. In making this determination the Board, after review and recommendation by its Nominating and Corporate Governance Committee, will apply the following Independence Standards when assessing the independence of a director:

1. A director will not be considered independent if:

(i) the director is, or has been within the last three years, an employee of the Company;

(ii) an immediate family member of the director is, or has been within the last three years, employed by the Company as an executive officer;

(iii) the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $100,000 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;

(iv) (A) the director or an immediate family member of the director is a current partner of a firm that is the Company s internal or external auditor; or (B) the director is a current employee of such a firm; or (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm s audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member of the director was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company s audit within that time;

(v) the director or an 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; or

(vi) the director is a current employee, or an immediate family member is a current 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.

2. 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.

3. 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.

4. 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.

The Board conducted its annual review of director independence in February 2008. During the review, the Board considered transactions and relationships between each director and member of his or her immediate family and the Company and its subsidiaries and affiliates. The Board also considered charitable contributions to not-for-profit organizations of which our directors or their immediate family members are executive officers, none of which approached the levels contained in the Standards. As a result of this review, the Board affirmatively determined that all of the directors are independent directors except Dr. Morel, who is a West employee.

The Board s Independence Standards meet or exceed the applicable director independence requirements of the New York Stock Exchange and Securities and Exchange Commission.

**Chairman, Independent Directors**

One independent director is designated as Chairman, Independent Directors. The Chairman, Independent Directors confers with the chief executive officer on the Board s agenda items and information requirements. He also calls meetings of the independent directors and presides at executive sessions of the independent directors. Anthony Welters is the current Chairman, Independent Directors.

**Communicating with the Board**

Interested parties can communicate with the Chairman, Independent Directors or the non-management directors as a group by sending a letter addressed to the Board of Directors, c/o John R. Gailey III, Vice President, General Counsel and Secretary, West Pharmaceutical Services, Inc., 101 Gordon Drive, Lionville, PA 19341.

Communications to a particular director should be addressed to that director at the address shown above. The Vice President, General Counsel and Secretary maintains a log of all communications received through this process. Communications to specific directors are forwarded to those directors. All other communications to the Board are transmitted directly to the Chairman, Independent Directors who makes the determination as to whether these messages should, in turn, be forwarded to a particular Board committee or to management for further handling.

**Review and Approval of Related Transactions**

The Nominating and Corporate Governance Committee is responsible for the review, approval or ratification of related-person transactions between the Company or its subsidiaries and related persons. Under SEC rules, a related person is a director, officer, nominee for director or 5% shareholder of the Company since the beginning of the last fiscal year and their immediate family members. The Company has written policies and procedures that apply to any transaction or series of transactions in which the Company or a subsidiary is a participant, the amount involved exceeds $100,000 and a related person has a direct or indirect material interest. The Committee has determined that, barring additional facts or circumstances, a related person does not have a direct or indirect material interest in the following categories of transactions:

- Any employment by the Company of an executive officer of the Company if the related compensation of the executive has to be reported (or would be reported if the executive was a named executive officer and the compensation was approved by the Compensation Committee) in the Company s proxy statement;

- Any compensation to a director of the Company if the related compensation of the director has to be reported in the Company s proxy statement;

- Any transaction with another company at which a related person s only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10% of that company s shares, if the aggregate amount involved does not exceed the greater of $1 million, or 2% of that company s total annual revenues;

- Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university for which a related person s only relationship is as an employee (other than an executive officer) or a director, if the aggregate amount involved does not exceed the lesser of $1 million, or 2% of the charitable organization s total annual receipts;

- Transactions in which all shareholders receive proportional benefits;

- Transactions involving competitive bids; and

- Banking-related services involving a bank depository of funds, transfer agent, registrar, trustee under a trust indenture or similar service.

Transactions involving related persons that are not included in one of the above categories are reviewed by the Committee. The Committee determines whether the related person has a material interest in a transaction and may approve, ratify, rescind or take other action with respect to the transaction in its discretion.

**Code of Business Conduct**

All of our employees, officers and directors are required to comply with the Company s Code of Business Conduct. The Code of Business Conduct covers fundamental ethical and compliance-related principles and practices such as our commitment to product and service quality, accurate accounting records and financial reporting, avoiding conflicts of interest, the protection and use of Company property and information and compliance with legal requirements applicable to our operations.

The Code of Business Conduct can be found on our website at www.westpharma.com under the *Investors Corporate Governance* captions, and a printed copy may be obtained upon request from the Company s Secretary. We will disclose any amendments to, or waivers from, the Code on our website. During 2007, there were no waivers of the Code.

## Board and Committee Membership

Our Board of Directors has five committees: Audit Committee; Compensation Committee; Nominating and Corporate Governance Committee; Finance Committee; and Innovation and Technology Committee. The Board has adopted a written charter for each of these committees, which are posted on our website www.westpharma.com under the *Investors Corporate Governance* captions. You may obtain a printed copy of each committee s charter upon request from the Company s Secretary.

The following table shows the current membership of each Board committee:

| Audit | Compensation | Nominating and Corporate Governance | Finance | Innovation and Technology |
|---|---|---|---|---|
| Jenne K. Britell | L. Robert Johnson* | Paula A. Johnson | Jenne K. Britell | L. Robert Johnson |
| Thomas W. Hofmann | Anthony Welters | John H. Weiland | Thomas W. Hofmann | Paula A. Johnson |
| John P. Neafsey* | Patrick J. Zenner | Anthony Welters* | John P. Neafsey | Robert C. Young* |
| Geoffrey F. Worden | Robert C. Young | John H. Weiland | | |
| Patrick J. Zenner | Geoffrey F. Worden* | | | |

* Chairman

**The Audit Committee**

The Audit Committee assists the Board in its oversight of (1) the integrity of the Company s financial statements; (2) the independence and qualifications of the Company s independent registered public accounting firm; (3) the performance of the Company s internal audit function and independent registered public accounting firm; and (4) the compliance by the Company with legal and regulatory requirements. In carrying out these responsibilities, the Audit Committee, among other things:

- reviews and discusses the Company s annual and quarterly financial statements with management and the independent registered public accounting firm;

- manages the relationship between the Company and the independent registered public accounting firm, including: having sole authority for its appointment, retention and compensation; reviewing the scope of its work; approving non-audit and audit services; and confirming the independence of the independent registered public accounting firm; and

- oversees management s implementation and maintenance of disclosure controls and procedures and internal control over financial reporting.

*Audit Committee Financial Experts.* The Board has determined that each current member of the Audit Committee is an audit committee financial expert within the meaning of SEC regulations.

**The Compensation Committee**

The Compensation Committee monitors the effectiveness of the Company s executive compensation programs in realizing the Board s compensation philosophy; reviews and approves corporate goals and objectives relevant to the compensation of the Company s executive officers and evaluates their performance against those goals and objectives; and, either as a committee or together with the other independent directors, determines and approves their compensation levels based on that evaluation. Final decisions regarding the compensation of our chief executive officer are made by the independent directors in executive session. The Committee also makes recommendations to the Board with respect to incentive and equity-based compensation plans. In overseeing the administration of those plans, the Committee approves all grants and awards to executive officers, establishes performance goals and determines whether or not those goals have been attained. The details of the processes and procedures involved in the area of executive compensation are described in the *Compensation Discussion and Analysis* beginning on page 17. Each year, the Committee approves the *Compensation Committee Report*, included on page 26 of this Proxy Statement.

**The Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee identifies qualified individuals to serve as Board members; recommends nominees for director and officer positions; determines the appropriate size and composition of the Board and its committees; monitors a process to assess Board effectiveness; reviews related party transactions; and considers matters of corporate governance. After review by the independent directors, the Committee formally recommends to the Board a successor to the CEO. The Committee also reviews director compensation annually and makes recommendations to the full Board on the form and level of director compensation. The Committee administers director equity-based compensation, which are awarded under the Company s equity-based plans.

*Candidate Selection Process.* To identify new, non-management director candidates, the Nominating and Corporate Governance Committee considers individuals suggested or recommended from a variety of sources, including Committee members, other members of the Board, including the chief executive officer, customers, suppliers, advisors to the Board and our security holders. The Committee has not in the past employed a third-party search firm, but it reserves the right to do so. All persons recommended for nomination to the Board, regardless of the source of the recommendation, are evaluated in the same manner by the Committee.

**The Finance Committee**

The Finance Committee serves as the Board s liaison with management on important financial transactions and financial policy matters. The Committee consults with and advises management on financial strategies, policies and procedures, acquisitions, divestitures and capital expenditure requests.

**The Innovation and Technology Committee**

The Innovation and Technology Committee provides guidance to the Board on technical and commercial innovation strategies; reviews emerging technology trends that may affect the Company and its business; reviews the Company s major innovation and technological programs and overall patent strategies; and assists the Board in making well-informed choices about investments in new technology.

**Meetings of the Board and its Committees**

The following chart shows the number of meetings of the Board and each of its Committees held during 2007. All directors attended more than 75% of the total number of meetings of the Board and the committees on which they served. Under our Corporate Governance Principles, each director is expected to attend the Annual Meeting of Shareholders unless prevented from doing so by illness or emergency. All directors attended the 2007 Annual Meeting.

| Board or Committee | Number of 2007 Meetings |
|---|---|
| Board of Directors | 7 |
| Audit | 8 |
| Compensation | 4 |
| Nominating and Corporate Governance | 6 |
| Finance | 11 |
| Innovation and Technology | 2 |

Executive sessions or meetings of only non-management directors are held regularly to conduct a self-assessment of the Board s performance and to review management s strategy and operating plans, the criteria by which the CEO and other senior executives are measured, management s performance against those criteria and any other relevant topics. Last year, non-management directors held six executive sessions.

**COMPENSATION OF NON-EMPLOYEE DIRECTORS**

Annual compensation for non-employee directors is comprised of cash compensation, in the form of an annual retainer, meeting and committee fees and annual grants of deferred stock.

The following table shows the meeting fees and retainers payable in cash to non-employee directors in 2007:

| Compensation Item | Amount |
|---|---|
| **Annual Retainers** | |
| Board | $40,000 |
| Audit Committee Chair | $10,000 |
| Compensation Committee Chair | $5,000 |

| | |
|---|---|
| Finance Committee Chair | $5,000 |
| Nominating and Corporate Governance Committee Chair | $5,000 |
| Innovation and Technology Committee Chair | $5,000 |
| Chairman, Independent Directors | $10,000 |
| | |
| **Per-Meeting Fees** | |
| Board | $1,500 |
| Committee | $1,000 |

Deferred stock awards are made on the date of the annual meeting of shareholders and vest on the date of the following year s annual meeting, provided that the director continues to serve on the Board on that date. The deferred stock will also vest upon a director s retirement, if earlier. For 2007, the annual deferred-stock award was 2,100 shares.

All deferred stock is credited to an account under the West 1999 Deferred Compensation Plan for Outside Directors, as amended, (the Director Deferred Compensation Plan ) and distributable as shares of West common stock in accordance with the terms of that plan as described below. When dividends are paid on common stock, additional shares of deferred stock are credited to each director s deferred stock account as if those dividends were used to purchase additional shares.

Prior to 2007, non-employee directors received annual grants of stock options, which vested on the first anniversary of the grant date. After benchmarking this practice, the Nominating and Corporate Governance Committee recommended that stock options no longer be used. The Board agreed and equity awards to non-employee directors are now limited to grants of deferred stock as described above.

**Director Deferred Compensation Plan**

All non-employee directors may participate in the Director Deferred Compensation Plan, which permits participants to defer all or a part of their annual cash retainers and meeting fees until they cease to be directors. Deferred fees may be credited to a stock-unit account that is deemed invested in West common stock or to an account that earns interest at the prime rate of the Company s principal commercial bank. The stock-unit accounts also are credited with dividend equivalents based on the number of stock units credited as of the dividend record date.

The value of a director s account balance is distributed upon termination of Board service. The value of a director s stock-unit account is determined by multiplying the number of stock units credited to the account by the fair market value of West common stock on the termination date.

Directors may choose to receive their distribution as a cash lump sum or in ten annual cash installments. If a director elects the installment option, any account balances during the distribution period will earn interest at the prime rate of the Company s principal commercial bank.

**2007 Director Compensation Table**

The total 2007 compensation of our non-employee directors is shown in the following table. All directors are currently serving on the Board, except William H. Longfield, who retired on April 30, 2007 after serving 12 years. John H. Weiland joined the Board on May 1, 2007, and Thomas W. Hofmann joined the Board on October 16, 2007.

| Name (a) | Fees Earned and Paid in Cash (1) ($) (b) | Stock Awards (2) ($) (c) | Option Awards (3) ($) (d) | Non-Equity Incentive Plan Compensation ($) (e) | Change in Pension Value and Nonqualified Deferred Compensation Earnings (f) | All Other Compen-sation (4) ($) (g) | Total ($) (h) |
|---|---|---|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Jenne K. Britell | 58,334 | 61,250 | 1,932 (4) | 121,516 |
| Thomas W. Hofmann | 11,500 | 22,962 | 212 (4) | 34,675 |
| L. Robert Johnson | 54,334 | 61,250 | 10,765 (4) | 126,349 |
| Paula A. Johnson | 51,334 | 61,250 | 2,077 (4) | 115,161 |
| William H. Longfield | 12,000 | | 2,435,934 (5) | 2,447,934 |
| John P. Neafsey | 72,834 | 61,250 | 27,188 (4) | 161,272 |
| John H. Weiland | 42,167 | 61,250 | 599 (4) | 104,016 |
| Anthony Welters | 68,334 | 61,250 | 10,972 (4) | 140,556 |
| Geoffrey F. Worden | 67,334 | 61,250 | 19,384 (4) | 147,968 |
| Robert C. Young | 56,334 | 61,250 | 9,120 (4) | 126,704 |
| Patrick J. Zenner | 54,834 | 61,250 | 3,960 (4) | 120,044 |

(1) The amounts included in this column are retainers for serving on the Board, Board Committees and as Committee chairs and Chairman, Independent Directors. The amounts shown do not reflect elections to defer fees under the Director Deferred

Compensation Plan. In 2007, Mr. Neafsey, Mr. Welters and Dr. Young deferred 100% of their director s fees and Mr. Worden deferred 50% of his director s fees. All annual retainers and meeting fees are paid quarterly.

(2) The amounts included in this column reflect the compensation costs of the grant of shares of deferred stock granted during 2007, which are recognized as expense in West s financial statements under FAS 123(R) for 2007. The total FAS 123(R) value as of the grant date for deferred stock is spread over the number of months of service required for the grant to become non-forfeitable. See Note 16 of the Notes to Financial Statements contained in the Company s 2007 Form 10-K for the assumptions made in determining FAS 123(R) values. The FAS 123(R) grant date fair value of the deferred stock award for all directors who received an award, except Mr. Hofmann, was $50.00 per share. The FAS 123(R) grant date fair value of the deferred stock award for Mr. Hofmann was $41.57 per share.

Each director, except Mr. Hofmann and Mr. Longfield, received a grant of 2,100 shares of deferred stock on May 1, 2007, the date of the 2007 Annual Meeting. Mr. Hofmann received a grant of 1,473 shares of deferred stock on October 16, 2007, which was prorated to reflect his election as a director on that date. Mr. Longfield did not receive a grant because he retired from the Board before the 2007 grant.

The table below sets forth each director s stock award holdings as of December 31, 2007. The stock award holdings represent the number of shares of deferred stock granted to non-employee directors as of December 31, 2007, including additional shares credited due to dividend reinvestment.

**Director Stock Award Holdings December 31, 2007**

| Name | Stock Awards |
|---|---|
| Jenne K. Britell | 2,114 |
| Thomas W. Hofmann | 1,478 |
| L. Robert Johnson | 2,114 |
| Paula A. Johnson | 2,114 |
| William H. Longfield | |
| John P. Neafsey | 2,114 |
| John H. Weiland | 2,114 |
| Anthony Welters | 2,114 |
| Geoffrey F. Worden | 2,114 |
| Robert C. Young | 2,114 |
| Patrick J. Zenner | 2,114 |

(3) Prior to 2007, non-employee directors received annual grants of stock options which vested on the first anniversary of the grant date. The Board eliminated stock options as a component of non-employee director compensation in 2007, and no stock options were granted last year. The table below sets forth each director s stock option holdings as of December 31, 2007. All stock options granted to directors are currently vested.

**Director Stock Option Holdings December 31, 2007**

| Name | Stock Options Outstanding |
|---|---|
| Jenne K. Britell | 6,400 |
| Thomas W. Hofmann | 0- |
| L. Robert Johnson | 37,200 |
| Paula A. Johnson | 10,300 |
| William H. Longfield | 37,200 |
| John P. Neafsey | 6,400 |
| John H. Weiland | 0- |
| Anthony Welters | 33,450 |
| Geoffrey F. Worden | 37,200 |
| Robert C. Young | 17,268 |
| Patrick J. Zenner | 23,950 |

(4) These amounts represent dividend equivalents credited to directors accounts under the Director Deferred Compensation Plan.

(5) This amount consists of: (a) $2,398,976, which is the amount of the 2007 cash lump-sum distribution of Mr. Longfield s entire Director Deferred Compensation Plan account balance accumulated over the 12-year period (1995 to 2007) of his service; and (b) $36,959, which is the cost to the Company of a golf trip for Mr. Longfield and two relatives, which the Company provided as a retirement gift. The latter amount consists of (i) $26,220, the incremental cost of the use of the Company-leased aircraft to fly Mr.

Longfield and his relatives to and from Morristown, NJ, to Pinehurst, NC, (ii) $5,309 of hotel expenses incurred for the same trip and (iii) $5,430 for the reimbursement of taxes by the Company on Mr. Longfield s imputed income for the trip. The incremental cost is calculated based upon a charge determined by a nationally recognized and independent corporate aircraft service and reflects the direct operating costs (including fuel and similar items), aircraft hangar charges, insurance, fees and assessments, customs, permit fees, flight planning, weather services, and food and service provided on board and upon arrival and departure.

## SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table shows the number of shares of our common stock beneficially owned by (a) each director of the Company; (b) each Named Executive Officer listed in the 2007 Summary Compensation Table on page 27; (c) all directors and executive officers as a group; and (d) each person or group known by the Company to own more than 5 percent of the outstanding shares of our common stock. The information is stated as of December 31, 2007. Unless otherwise noted, the beneficial owners exercise sole voting and/or investment power over their shares.

| Name | Common Stock | Options Exercisable Within 60 Days | Percent of Class | Stock-Equivalent Units (1) |
|---|---|---|---|---|
| Jenne K. Britell | 2,700 | 6,400 | * | 5,059 |
| Steven A. Ellers | 130,181(2) | 246,171 | 1.2% | |
| William J. Federici | 31,809(2) | 143,625 | * | |
| John R. Gailey III | 32,276(2) | 53,183 | * | |
| Thomas W. Hofmann | -0- | -0- | * | 1,478 |
| L. Robert Johnson | 12,000 | 37,200 | * | 23,825 |
| Paula A. Johnson | -0- | 10,300 | * | 5,366 |
| Robert J. Keating | 32,660(2) | 43,183 | * | |
| Donald E. Morel, Jr. | 235,776(2) | 543,388 | 2.4% | |
| John P. Neafsey | 27,037 | 6,400 | * | 59,091 |
| John H. Weiland | -0- | -0- | * | 2,532 |
| Anthony Welters | 2,926 | 33,450 | * | 21,213 |
| Geoffrey F. Worden | 7,524 | 37,200 | * | 36,739 |
| Robert C. Young | 7,000 | 17,268 | * | 17,741 |
| Patrick J. Zenner | 2,750 | 23,950 | * | 9,368 |
| All directors and executive officers as a group (20) (1) | 681,903(2)(3) | 1,396,738 | 6.4% | 182,412 |
| Franklin Advisory Services, LLC One Parker Plaza, Sixteenth Floor Fort Lee, NJ 07024 | 3,859,873(4) | | 11.9% | |
| Snyder Capital Management, L.P. One Market Plaza Steuart Tower, Ste. 1200 San Francisco, CA 94105 | 1,842,012(5) | | 5.7% | |

(1) These units are held under the Director Deferred Compensation Plan. The value of a director s unit account is measured by the price of our common stock on December 31, 2007 ($40.59).

(2) Includes (i) shares held in employee participant accounts under our 401(k) Plan, Non-Qualified Deferred Compensation Plan for Designated Officers and Employees and Employee Stock Purchase Plan and (ii) incentive shares (time-vested restricted stock) awarded to executive officers under various incentive plans, as follows:

| Name | 401(k) Plan | Employee Deferred Compensation Plan | Stock Purchase Plan | Incentive Shares (Restricted Stock) |
|---|---|---|---|---|
| Donald E. Morel, Jr. | 535 | 14,039 | 3,446 | 3,891 |
| William J. Federici | -0- | 10,696 | 3,254 | 2,118 |
| Steven A. Ellers | 2,881 | 23,514 | 5,851 | 4,563 |
| Robert J. Keating | | | 4,041 | 587 |
| John R. Gailey III | 201 | 2,470 | -0- | 548 |
| All directors and executive officers as a group | 14,720 | 60,968 | 28,735 | 14,515 |

(3) Includes 47,803 shares held by the Company s charitable foundation. Paula A. Johnson, a member of the Board, and Richard D. Luzzi, an executive officer of the Company, are trustees of the foundation and, in that capacity, are each deemed to be the beneficial

owner of the shares held by the foundation because they share voting and investment power over those shares. Dr. Johnson and Mr. Luzzi disclaim any economic interest in shares held by the foundation.

(4) Based on information contained in a Schedule 13G filing dated January 25, 2008 made by Franklin Resources, Inc. ( FRI ), Charles B. Johnson, Rupert H. Johnson, Jr. and Franklin Advisory Services, LLC. Represents shares beneficially owned by one or more open or closed-end investment companies or other managed accounts, which are advised by direct and indirect investment advisory subsidiaries of FRI. Charles B. Johnson and Rupert H. Johnson, Jr. are principal owners of FRI, and they, along with FRI and each of FRI s advisory subsidiaries, disclaim any economic interest or beneficial ownership in any of the shares covered by the Schedule. They disclaim the existence of a group. Franklin Advisory Services, LLC has sole investment power with respect to 3,859,873 of the shares and sole voting power with respect to 3,845,173 of the shares.

(5) Based on information contained in a Schedule 13G filing dated February 13, 2008 made by Snyder Capital Management, L.P. ( SCMLP ) and Snyder Capital Management, Inc. ( SCMI ). Natixis Global Asset Management, L.P. is the direct parent of SCMI and disclaims any direct or indirect control over any of the shares covered by the Schedule. SCMLP and SCMI have shared investment power with respect to 1,842,012 of the shares and shared voting power with respect to 1,687,112 of the shares.

* Less than one percent of the Company s outstanding shares of common stock.

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires that our directors and officers file reports of holdings and transactions in West shares with the SEC and the New York Stock Exchange. Based on our records and other information, we believe that in 2007 our directors and officers met all applicable Section 16(a) filing requirements, except as follows: Mr. Neafsey, a director, filed a late report with respect to the purchase of shares of West common stock and Robert S. Hargesheimer, an officer, filed a late report with respect to the sale of shares of West common stock.

## PROPOSALS REQUIRING YOUR VOTE

### Item #1 Election of Directors

Our Board of Directors is divided into three classes. Each year, the directors in one class are elected to serve a three-year term. We may increase or decrease the size of the Board, elect directors to fill vacancies on the Board and assign directors to a class. Under that authority, in May 2007 the Board elected Mr. Weiland as a Class III Director and increased the size of the Board to 10 from 9, and in October 2007 the Board elected Mr. Hofmann and increased the size of the Board to 11 members. Mr. Hofmann was assigned to Class II to serve until the 2008 Annual Meeting and, if re-elected by shareholders, through the balance of his term.

The Board has nominated Jenne K. Britell, Donald E. Morel, Jr., John H. Weiland and Robert C. Young for election as Class III directors and Thomas W. Hofmann as a Class II director. All of the nominees have agreed to be named and to serve, if elected.

We expect each nominee for election as a director to be able to serve if elected. If any nominee is not able to serve, which the Board does not expect, the Board s Nominating and Corporate Governance Committee will recommend to the Board a replacement nominee. The Board may then designate the other nominee to stand for election. If you voted for the unavailable nominee, your vote will be cast for his or her replacement.

The principal occupation and certain other information about the nominees and continuing members of the Board are set forth on the following pages.

**Nominees For Directors in Class III For Terms to Expire in 2011**

| Name, Age and Year of Appointment as a Director | Position, Principal Occupation, Business Experience and Directorships |
|---|---|
| **Jenne K. Britell, Ph.D.**<br>*Age 65*<br>*Director since 2005* | Dr. Britell is Chairman and Chief Executive Officer of Structured Ventures, Inc., advisors to private equity and venture-capital firms, and President and Chief Executive Officer of Hamilton Realty Corp., BHM Inc. and Reliance Dyeing & Fishing, family-held companies. She was formerly the Senior Advisor to eBay and its PayPal subsidiary for financial services, and prior to that time, a senior executive with GE Capital, most recently as President of Global Commercial and Mortgage Banking and Executive Vice President of Global Consumer Finance. Dr. Britell is a trustee of Fox Chase Cancer Center and a director of Crown Holdings, Inc., U.S. Russia Investment Fund, Quest Diagnostics Incorporated and United Rentals, Inc. |
| **Donald E. Morel, Jr., Ph.D.**<br>*Age 50*<br>*Director since 2002* | Dr. Morel has been our Chief Executive Officer since April 2002 and Chairman of the Board since March 2003. He was also our President from April 2002 to June 2005. |
| **John H. Weiland**<br>*Age 52*<br>*Director since 2007* | Mr. Weiland has been President and Chief Operating Officer of C. R. Bard, Inc., a medical-device company, since August 2003, and prior to that time, was its Group President. Mr. Weiland is a member of the Bard Board of Directors. |
| **Robert C. Young, M.D.**<br>*Age 68*<br>*Director since 2002* | Dr. Young is the Chancellor of Fox Chase Cancer Center, a research hospital. He is Chairman of the Board of Scientific Advisors of the National Cancer Institute and serves on the Board of Directors of Human Genome Sciences. Dr. Young also is a past President of the American Cancer Society and a former member of the National Cancer Policy Board of the Institute of Medicine. |

**Nominee For Director in Class II For a Term to Expire in 2010**

| Name, Age and Year of Appointment as a Director | Position, Principal Occupation, Business Experience and Directorships |
|---|---|
| **Thomas W. Hofmann**<br>*Age 56*<br>*Director since 2007* | Mr. Hofmann is Senior Vice President and Chief Financial Officer of Sunoco, Inc., an oil refining and marketing company. He is a director of Sunoco Logistics Partners and Fox Chase Cancer Center and a member of the Advisory Board of the Boys & Girls Clubs of Philadelphia. |

**The Board of Directors recommends a vote FOR the election of each of the director nominees.**

**Continuing Class I Directors Whose Terms Expire in 2009**

| Name, Age and Year of Appointment as a Director | Position, Principal Occupation, Business Experience and Directorships |
|---|---|
| **Paula A. Johnson, M.D., MPH**<br>*Age 48*<br>*Director since 2005* | Dr. Johnson is a cardiologist and Executive Director of the Connors Center for Women s Health and Gender Biology and Chief of the Division of Women s Health at Brigham and Women s Hospital. She is also an Associate Professor at Harvard Medical School. |
| **Anthony Welters**<br>*Age 53*<br>*Director since 1997* | Mr. Welters is Executive Vice President and President, Public and Senior Markets Group of UnitedHealth Group, Inc., a diversified healthcare services company. Previously, he served as President and Chief Executive Officer of AmeriChoice Corporation, a UnitedHealth Group Company. He is Vice Chair of New York University, Chairman of Morehouse School of Medicine, a director of C. R. Bard, Inc. and Qwest Communications International, Inc., and a trustee of the New York University School of Medicine and School of Law and of the Library of Congress. He is also a member of the Council of the National Museum of African American History and Culture. |
| **Patrick J. Zenner**<br>*Age 61*<br>*Director since 2002* | Mr. Zenner is the retired President and Chief Executive Officer of Hoffmann-La Roche Inc., a pharmaceutical manufacturer. Mr. Zenner currently serves as the Interim Chief Executive Officer and a member of the Board of Directors of EXACT Sciences Corporation. He also is a director of ArQule, Inc., CuraGen Corporation, Geron Corporation, Sciele Pharma, Inc. and Xoma Ltd. |

**Continuing Class II Directors Whose Terms Expire in 2010**

| Name, Age and Year of Appointment as a Director | Position, Principal Occupation, Business Experience and Directorships |
|---|---|
| **L. Robert Johnson**<br>*Age 66*<br>*Director since 1989* | Mr. Johnson is Managing Partner of Founders Capital Partners, a venture capital angel group. Mr. Johnson is a life member of the Corporation of the Massachusetts Institute of Technology and a trustee of the Scholarship Foundation of Santa Barbara. |
| **John P. Neafsey**<br>*Age 68*<br>*Director since 1987* | Mr. Neafsey is President of JN Associates, an investment consulting firm. He is Chairman of the Board of Alliance Resource Partners, L.P., Constar International Inc. and NES Rentals Holdings Inc. He is a trustee emeritus and presidential counselor of Cornell University and a member of the Board of Overseers of Weill Cornell Medical College. |
| **Geoffrey F. Worden**<br>*Age 68*<br>*Director since 1993* | Mr. Worden is President of South Street Capital, Inc., a consulting and investment company. He is a director of Princess House, Inc., a privately owned direct sales company, as well as a director or trustee of the following not-for-profit organizations: New York City Outward Bound; North Carolina Outward Bound; the Episcopal Academy; and Bridges Outreach Inc. |

**Item #2 Ratification of Appointment of Independent Registered Public Accounting Firm**

The Audit Committee has appointed PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2008. Although shareholder approval for this appointment is not required, the Audit Committee and the Board are submitting the selection of PricewaterhouseCoopers LLP for ratification to obtain the views of shareholders and as a matter of good corporate governance. If the appointment is not ratified, the Audit Committee will reconsider whether or not to retain that firm.

Representatives of PricewaterhouseCoopers LLP will be present at the Annual Meeting to answer questions. They also will have the opportunity to make a statement if they desire to do so.

**The Board of Directors recommends a vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2008.**

**Policy on Pre-Approval of Audit and Permissible Non-Audit Services**

Our Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the Company s independent registered public accounting firm. As part of this responsibility, the Committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. Prior to engagement for the next year s audit, management will submit a list of services and related fees expected to be rendered by the independent registered public accounting firm during that year for pre-approval by the Audit Committee. Those services fall within one of the four following categories:

- ***Audit Services*** include audit work performed on the financial statements and internal control over financial reporting, as well as work that generally only the independent registered public accounting firm can reasonably be expected to provide, including statutory audits or financial audits for subsidiaries or affiliates of the Company; services associated with SEC registration statements; periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters, consents); and assistance in responding to SEC comment letters.

- ***Audit-Related Services*** are assurance and related services that are reasonably related to the performance of the audit or review of the Company s financial statements and are traditionally performed by the independent registered public accounting firm, including due diligence related to potential business acquisitions/divestitures, financial statement audits of employee benefit plans and special procedures required to meet certain regulatory requirements.

- ***Tax Services*** include all services, except those specifically related to the audit of the financial statements, which are performed by the independent registered public accounting firm s tax personnel and may include tax analysis and compliance, and review of income and other tax returns.

- ***All Other Services* are those services not captured in any of the above three categories.**

The Audit Committee will periodically revise the pre-approved services and may delegate pre-approval authority to one or more of its members. Such member will report any pre-approval decisions to the Committee at its next scheduled meeting. With respect to each proposed pre-approved service, the independent registered public accounting firm must provide detailed back-up documentation to the Committee regarding the specific services to be provided.

**Audit and Non-Audit Fees**

The following table presents fees for professional audit services rendered by PricewaterhouseCoopers LLP for the integrated audits of the Company s annual financial statements for the years ended December 31, 2007 and December 31, 2006 and the effectiveness of the Company s internal control over financial reporting, and fees billed for other services rendered by PricewaterhouseCoopers LLP during those periods.

| | 2007 | 2006 |
|---|---|---|
| Audit Fees (1) | $ 1,499,564 | $ 1,455,300 |
| Audit-Related Fees | 1,273 | 52,300 |
| Tax Fees (2) | 166,997 | 365,800 |
| All Other Fees (3) | 1,500 | 1,500 |
| Total | $ 1,667,834 | $ 1,874,900 |

(1) Consists of fees associated with the integrated audits of the consolidated financial statements and of the effectiveness of internal controls over financial reporting. Also includes fees associated with statutory audits, consents and the review of documents filed with the SEC.

(2) Includes tax advice, tax analysis and tax compliance fees.

(3) Consists of the cost of accounting research software offered by PricewaterhouseCoopers LLP.

**Audit Committee Report**

The Audit Committee reviews the Company s financial-reporting process on behalf of the Board. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. PricewaterhouseCoopers LLP, West s independent registered public accounting firm for 2007, is responsible for expressing its opinion on the conformity of the Company s audited financial statements with generally accepted accounting principles and on the effectiveness of the Company s internal control over financial reporting.

The Audit Committee has reviewed and discussed with management and PricewaterhouseCoopers LLP the audited financial statements for the year ended December 31, 2007, management s assessment of the effectiveness of the Company s internal control over financial reporting and PricewaterhouseCoopers LLP s evaluation of the Company s internal control over financial reporting. The Committee has discussed with PricewaterhouseCoopers LLP the matters that are required to be discussed by Statement on Auditing Standards No. 61 (Communication With Audit Committees), as amended. PricewaterhouseCoopers LLP has provided to the Committee the written disclosures and the letter required by Independence Standards Board Standard No. 1 (Independence Discussions With Audit Committees) and the Committee has discussed with PricewaterhouseCoopers LLP that firm s independence from the Company. The Committee also considered whether the independent registered public accounting firm s provision of non-audit services to the Company is compatible with the auditor s independence. The Committee has concluded that the independent registered public accounting firm is independent from the Company and its management.

Based on the considerations and discussions referred to above, the Committee recommended to our Board of Directors that the audited financial statements for the year ended December 31, 2007 be included in our Annual Report on Form 10-K for 2007.

**Audit Committee:**

John P. Neafsey, Chairman

Jenne K. Britell

Thomas W. Hofmann

Geoffrey F. Worden

Patrick J . Zenner

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

**Compensation Philosophy and Objectives**

The Compensation Committee (the Committee ) is responsible for developing the overall compensation philosophy at West and makes all decisions regarding the compensation of our executive officers, including the Named Executive Officers. The Committee s recommendations for the compensation of the chief executive officer are subject to the approval of the independent directors.

Our overall compensation philosophy is to tie executive pay with short-term and longer-term company performance and to attract and retain the type of executive leadership that will help the Company achieve its strategic objectives. In furtherance of these two goals, our compensation programs are designed and administered to reflect the following principles:

- The programs should have a strong pay-for-performance element. A significant portion of executive pay should be at risk based on Company and individual performance. Total compensation should be targeted at the appropriate market median with superior rewards paid for exceeding goals.

- The programs should reinforce achievement of both operating performance and strategic objectives. Annual bonuses should reward performance against key budgeted targets, while long-term incentives keep management focused on business growth and effective utilization of capital.

- The programs should link management compensation with the interests of shareholders. Incentives should facilitate stock ownership and their value should be derived from increasing stock price.

- The programs should assure access to needed talent and facilitate retention. They are designed to be fair and market competitive. Compensation opportunities should correspond to each executive s responsibilities, experience and performance.

Base salaries and targeted annual and long-term incentive opportunities are generally set at or near median pay levels of peer group companies, with the combined value of cash compensation (base salaries and annual bonus) and long-term incentives to be near the top end of the $75^{th}$ percentile range if maximum performance is achieved. Because the value of stock-based awards at the time they become vested and earned depends on stock-price appreciation and longer-term operating performance over the award period, individual compensation levels may vary from the intended target.

Consistent with the compensation philosophy set forth above, performance-based compensation generally represents a greater percentage of the total compensation of the executives who have the most influence over and responsibility for the achievement of performance objectives.

The Committee has reviewed tally sheets as part of its review of executive compensation. The tally sheets contain all components of the Named Executive Officer s 2007 compensation, including current cash (base salary and annual bonus), outstanding equity awards, as well as estimated potential payments to be received upon retirement, voluntary and involuntary termination and termination following a change in control of the Company. The tally sheets assemble all of the individual elements for each of the Named Executive Officers actual and potential compensation so that the Committee may consider the appropriateness of the total value of the compensation packages and the mix between current and projected pay.

In its most recent review of these tally sheets, the Compensation Committee noted the significant declines in the value of each Named Executive Officer s existing equity holdings during 2007, which reflected year-over-year declines in the West s stock price. The Committee believed that such a decline in wealth accumulation was consistent with the Company s stock ownership and pay-for-performance philosophies.

The Committee has retained Towers Perrin HR Services (the Consultant ), an outside compensation consultant, to assist it. The Consultant reports directly to the Committee. During 2007, the Consultant performed the following tasks for the Committee:

- Prepared competitive market data with respect to the compensation of the executive officer group;
- Provided input on the Committee s pay recommendations for the chief executive officer;
- Provided input on compensation program design, compensation philosophy, comparator groups against which to benchmark the Company s executive compensation, pay levels and incentive pay mix; and
- Provided information on executive compensation trends.

**Elements of Executive Pay**

The compensation program for executive officers consists of the following elements:

- Base salaries;
- Annual incentive (bonus) awards;
- Long-term equity incentive awards, consisting of performance-vesting restricted shares and stock options;
- In-service and post-employment benefits, and
- Perquisites.

***Base Salary***

The objective of base salary is to provide fixed compensation for each of the Named Executive Officers that is fair and market-competitive. Although base salaries are targeted at a competitive range of the market median, base salary levels within that range may vary according to the executive s experience, length of service in the position, potential for advancement and/or development, the Committee s subjective view of personal performance, and the influence of compensation structures in markets where the Company competes for talent.

Increases in base salary are based on an evaluation of the individual s performance and level of pay in relation to business segment and talent comparator group levels for similar positions. Salaries are reviewed annually and any adjustments take effect in late April or early May. The Committee approves the salaries for all corporate officers, taking into account the individual s responsibilities, experience and performance, as well as position relative to the business segment and talent market comparator groups and to internal peers. The CEO prepares salary recommendations for officers after reviewing comparative salary data and discusses their performance and the rationale for his recommendations with the Committee. The Committee discusses the CEO s compensation directly with the Consultant and seeks a ratification of its decision from the independent directors in executive session. For other officers, the Committee considers the views and recommendations of the CEO in addition to comparative salary data.

The following table shows the 2007 increases in base salaries of the Named Executive Officers and their position relative to the average of the business segment and talent market comparator groups.

| Name | | 2006 Base Salary | | 2007 Base Salary | | Average of Business Segment And Talent Market Comparator Groups | % of Average |
|---|---|---|---|---|---|---|---|
| Donald E. Morel, Jr. | $ | 775,000 | $ | 780,000 | $ | 780,000 | 100.0% |
| William J. Federici | $ | 380,000 | $ | 420,000 | $ | 390,000 | 107.7% |
| Steven A. Ellers | $ | 395,000 | $ | 470,000 | $ | 540,000 | 87.0% |
| Robert J. Keating (1) | $ | 311,929 | $ | 360,026 | $ | 335,000 | 107.7% |
| John R. Gailey III | $ | 285,000 | $ | 315,000 | $ | 335,000 | 94.0% |

(1) Mr. Keating s base salary was converted from Euros to U.S. Dollars at the rate of 0.7310 U.S. Dollars per Euro, which was the average monthly exchange rate for 2007.

Factors that influenced Mr. Ellers s base salary increase were his outstanding leadership as Chief Operating Officer, internal pay equity considerations and the benchmarking analysis, which indicated that he was outside the median competitive band. Increases for the other officers were similarly influenced by performance, the role they play within the Company and, in Mr. Gailey s case, a desire to move him closer to median pay practices. Dr. Morel s base salary increase was solely in recognition of the elimination of certain perquisites. For an explanation, see Compensation of the CEO in this *Compensation Discussion and Analysis*.

***Annual Bonus Awards***

Executive officers may be awarded annual bonuses under the Management Incentive Plan ( Annual Incentive Plan ). Executives may earn bonuses based on Company financial performance criteria, subject to a maximum and minimum performance and payout limits. Target bonus levels are determined as a percentage of each executive s base salary. Consistent with our overall compensation design, executives with greater responsibilities for influencing financial performance have higher target bonus levels as a percentage of salary.

Annual incentive payouts are designed to reward designated short-term performance results. All performance criteria are approved by the Compensation Committee. The target bonus for each of the Named Executive Officers is established through an analysis of compensation for comparable positions in the business segment and talent market comparator groups. The combination of base salary and target bonus is intended to approximate the median market if the performance targets are met and approach the 75th percentile if targets are exceeded.

Annual Incentive Plan awards are paid in cash, but executives may elect to have up to 100% of the bonus paid in West common stock, referred to as bonus shares. This option increases executive stock ownership and further aligns executives with shareholder interests. As an inducement to acquire and hold shares, the Company also grants one additional time-vested restricted share, referred to as an incentive share, for each four bonus shares received. Incentive shares vest only if the bonus shares are held for four years and the executive remains employed during the vesting period, provisions designed to encourage long-term stock ownership and promote retention.

Management recommends compensation targets for each participating level of responsibility within the Company, based on the Consultant s evaluation of incentive compensation levels at the median of the Business Segment Group. The Committee reviews and approves incentive targets for all Annual Incentive Plan participants. In addition, in the beginning of the year, the CEO s incentive compensation target is reviewed by the Committee, which makes recommendations to the independent directors for approval.

As a result of these reviews, the 2007 target bonus opportunity for each of the Named Executive Officers was increased by an average of 10% as a way to move the incentive-compensation component closer to the median target.

An executive s Annual Incentive Plan Award is determined by multiplying his base salary times his bonus opportunity times the applicable payout factor. For each performance measure, a payout factor is determined based upon the level of performance for the applicable year versus the targets for that year. If 100% performance is achieved, the payout factor for each performance measure is 100%. If the performance level is less than a threshold amount, the payout factor is zero, and if performance exceeds 100%, the payout factor will be greater than 100%. To calculate an executive s total payout factor, each payout factor is weighted to reflect relative importance as determined by the Company.

| % of Performance Goal Achieved | Payout Factor |
|---|---|
| 115% and above | 150.0% |
| 110% | 133.3% |
| 105% | 116.7% |
| 100% | 100.0% |
| 95% | 83.3% |
| 85% | 50.0% |
| Below 85% | No payout |

For 2007, the two primary Annual Incentive Plan target performance measurements were earnings-per-share ( EPS ) and operating cash flow targets as contained in the Board-approved annual operating plan. For executives with operations responsibilities, a combination of regional or divisional revenue, operating income and cash flow is also used. Performance measures are set at budgeted exchange rates and may be adjusted for unplanned significant events or non-recurring items that cannot be foreseen at the beginning of the award period. The performance measures are weighted to reflect their relative importance. The Committee believes that these measures are good indicators of the Company s year-over-year performance and management s efforts to position the Company for future growth.

The following table shows the performance against target for each of the performance measures and their respective weightings.

**2007 Performance Achievement Against Target**

**(In US. $ millions, except per-share data)**

| Name | Applicable Performance Measures | Actual Performance (1) | Target Performance (1) | % of Target Achieved | % Payout | % Weight | Payout Factor |
|---|---|---|---|---|---|---|---|
| William J. Federici<br>John R. Gailey III<br>Donald E. Morel, Jr. | | | | | | | |
| | Consolidated EPS | $ 2.25(2) | $ 2.25 | 100.0% | 100.0% | 65.00% | 65.0% |
| | Consolidated Operating Cash Flow | 129.2 | 145.9 | 88.6% | 61.9% | 35.00% | 21.7% |
| | Total Payout Factor | | | | | | 86.7% |
| Steven A. Ellers | | | | | | | |
| | Global Operations Revenue | 984.5 | 1,005.8 | 97.9% | 92.9% | 18.75% | 17.4% |
| | Global Operations Operating Income | 147.6 | 161.9 | 91.2% | 70.6% | 37.50% | 26.5% |
| | Global Operations Cash Flow | 71.8 | 79.2 | 90.7% | 69.0% | 18.75% | 12.9% |
| | Consolidated EPS | 2.25(2) | 2.25 | 100.0% | 100.0% | 25.00% | 25.0% |
| | Total Payout Factor | | | | | | 81.8% |
| Robert J. Keating | | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| European Region Net Sales | 385.8 | 380.4 | 101.4% | 104.7% | 12.50% | 13.1% |
| Regional Operating Income | 79.6 | 79.4 | 100.2% | 100.8% | 37.50% | 37.7% |
| Pharmaceutical Systems Div. | | | | | | |
| Revenue | 709.4 | 716.2 | 99.0% | 96.8% | 6.25% | 6.1% |
| Division Operating Income | 136.3 | 140.4 | 97.1% | 90.3% | 12.50% | 11.3% |
| Division Cash Flow | 81.7 | 64.1 | 127.4% | 150.0% | 6.25% | 9.4% |
| Consolidated EPS | 2.25(2) | 2.25 | 100.0% | 100.0% | 25.00% | 25.0% |
| Total Payout Factor | | | | | | 102.6% |

(1) All targets reflect budget exchange rates and actual performance is adjusted accordingly.

(2) EPS performance reflects a foreign-exchange differential of $0.11 per share and was adjusted by the Compensation Committee to exclude $0.07 per share of restructuring costs and a $0.23 per-share impairment charge on a supply contract as a result of a customer s decision to discontinue marketing a product manufactured by the Company.

The 2007 target and actual Annual Incentive Plan awards paid to each of the Named Executive Officers are shown in the table below. The cash portion of the bonus is shown in the Non-Equity Incentive Plan Compensation column of the *2007 Summary Compensation Table*, and the value of any bonus shares awarded is included in the Stock Awards column of that Table.

**2007 Annual Incentive Awards**

| Name | Target (1) Payout as a % of Salary | Payout Range as a % of Salary | Target Bonus Award ($) | Maximum Award ($) | Actual Cash Award ($) | Value (2) of Bonus Shares ($) | Total Actual Award ($) | Actual Award as a % of Target | Actual Award as a % of Salary |
|---|---|---|---|---|---|---|---|---|---|
| Donald E. Morel, Jr. | 100% | 0 -150.0% | 780,021 | 1,170,000 | 507,004 | 169,001 | 676,005 | 86.7% | 86.7% |
| William J. Federici | 65% | 0-97.5% | 273,009 | 409,514 | 141,962 | 94,641 | 236,603 | 86.7% | 56.3% |
| Steven A. Ellers | 75% | 0-112.5% | 352,514 | 528,770 | 216,350 | 72,117 | 288,466 | 81.8% | 53.4% |
| Robert J. Keating (3) | 60% | 0-90.0% | 216,016 | 324,023 | 221,632 | | 221,632 | 102.6% | 61.6% |
| John R. Gailey III | 50% | 0-75.0% | 157,508 | 236,262 | 116,028 | 20,476 | 136,504 | 86.7% | 43.3% |

(1) Target bonuses are based on each executive s base salary rate in effect at December 31 of the bonus year and are set as a percentage of base salary.

(2) The value of bonus shares is determined by reference to the closing stock price ($41.70) on February 26, 2008, the date of grant.

(3) Mr. Keating s base salary was converted from Euros to U.S. Dollars at the rate of 0.7310 U.S. Dollars per Euro, which was the average monthly exchange rate for 2007.

***Long-Term Incentives***

Stock-based incentive compensation is intended to focus executives on achieving longer-term financial performance goals and to align the interests of executives with those of shareholders. Long-term incentive awards also serve as a retention mechanism for our experienced executives.

West currently grants non-qualified stock options that vest over time and performance-vesting share units ( PVS Units ), which entitle the recipient to receive a number of shares of West s common stock dependent on achievement of multi-year financial targets. Options and PVS Units are awarded under the West 2007 Omnibus Incentive Compensation Plan (the 2007 Plan ), which was approved by shareholders in May 2007. The 2007 Plan also permits the payment of cash-based incentives, bonus shares or restricted stock and equity grants to non-employee directors. The 2007 Plan replaced the 2004 Stock-Based Compensation Plan under which employees were awarded stock options, PVS units, bonus shares and incentive shares.

After the base salary and annual bonus opportunity for executive officers is set, the value of targeted long-term opportunities is established by comparing the individual s total direct compensation (i.e., the combination of salary, cash bonus and the expected value of targeted long-term incentive awards) to the market. The Committee s practice is to determine the targeted dollar amount of equity compensation and to then grant long-term incentive awards that have a fair value equal to that amount on the grant date. The value of long-term awards is roughly divided equally between the two types of awards. The Committee uses a binomial lattice model to value stock options; PVS units are valued based on the discounted value of the stock, adjusted for the risk of forfeiture.

As with the determination of base salaries and Annual Incentive Plan award opportunities, the Committee exercises judgment in view of the above criteria, taking into consideration CEO recommendations in setting long-term award target levels for non-CEO executives and discussions with the independent directors regarding the target levels for the CEO. The Committee also considers potential shareholder dilution of the program and overall business and market conditions. Long-term grants do not affect the amount of an employee s retirement benefits.

***Stock Options***

Stock options provide for financial gain derived from the potential appreciation in stock price from the date that the option is granted until the date that the option is exercised. The exercise price of stock option grants is the average of the high and low price of West common stock on the grant date for options granted prior to May 1, 2007. For options granted on or after May 1, 2007, the exercise price is the closing price on the date of grant. Stock options granted since 2004 are exercisable in equal installments on the first through fourth anniversaries of the grant date and have a term of 10 years from the grant date. Options that are vested i.e., exercisable at the time of an employee s retirement or termination due to disability will remain exercisable through the remainder of the term. Upon an employee s death, vested options may be exercised for up to one year. Upon termination for any other reasons (other than cause), vested options may be exercised for 90 days. Options will expire immediately in the event of a for-cause termination. A change in control of the Company will cause any outstanding options to become immediately vested.

***PVS Units***

PVS unit awards provide for a medium-term incentive compensation opportunity that pays out only if certain performance measures are met over a three-year period. For PVS units awarded in 2007, payouts will depend on achievement of performance levels based on two equally weighted performance measures compound annual revenue growth ( CAGR ) and return on invested capital ( ROIC ) for the period beginning on January 1, 2007 and ending on December 31, 2009. The Committee set a target CAGR and ROIC goal of 10% each. The payout opportunity is capped at 200% and actual payouts may range from 0% to 200% based on actual results. The following table shows the payout factors for the 2007 awards:

| **Target Achieved** | **Payout Factor** |
|---|---|
| 15.0% and above | 200% |
| 12.5% | 150% |
| 11.0% | 120% |
| 10.0% | 100% |
| 8.5% | 75% |
| 7.0% | 50% |
| Below 7.0% | No payout |

Performance between points is straight-line interpolated.

In setting the targeted CAGR and ROIC goals, the Committee considered past performance, the Company s cost of capital and information relative to sales growth in the markets in which the Company operates. The number of options or PVS units previously granted to, or held by, a Named Executive Officer is not a factor in determining individual grants. Past awards were granted based on performance in prior years. As a result, potential accumulated wealth is not viewed as relevant in arriving at the current year awards. The value of 2007 PVS units awarded to each Named Executive Officer is reflected in the *2007 Summary Compensation Table* on page 27 and the *2007 Grants of Plan-Based Awards Table* on page 29.

**Equity-Awards Policy**

It is the policy of the Committee and the Board of Directors that all equity awards (other than grants for newly hired employees and grants for promotions or for retention purposes) are made once per year at the Committee meeting in February or March, following the release of earnings for the prior fiscal year. To address the need to grant options at other times, the Committee may delegate authority to make equity awards to a Plan Committee, subject to certain guidelines and an overall annual share limitation. The Plan Committee is prohibited from making any awards or grants to officers of the Company. The Plan Committee is composed of the Company s chief executive and chief human resources officers, general counsel and controller. The policy also confirms that the grant date of any equity award is the date the award is approved at a meeting of the Compensation Committee or Plan Committee and that the exercise price of any stock option is determined as of the grant date in compliance with the terms of the applicable incentive plan.

**Stock Ownership Requirements**

First adopted in 1994, stock-ownership goals for all executive officers reflect the Company s view that senior management should have a significant equity position in the Company. Stock-ownership goals align executive officers with the interest of shareholders and encourage a longer-term focus in management of the Company. These goals specify a value equal to specified multiples of the executive s base salary, which executive officers must acquire within five to seven years of attaining their position. The Chief Executive Officer s goal is 5x base salary and the goal for all other executive officers is 2x base salary. West stock may be held in various forms to achieve the ownership guidelines, including shares held outright (including through West s Employee Stock Purchase Plan), shares held in retirement and savings plans accounts, and bonus and restricted stock awarded under the Company s incentive plans. Progress against these goals is reviewed annually. All Named Executive Officers currently meet their guidelines.

Hedges of the Company s common stock by executive officers or employees of the Company are prohibited.

**Benefits**

We offer various retirement benefits that are designed to attract and retain our workforce in a competitive marketplace. Dr. Morel, Mr. Federici, Mr. Ellers and Mr. Gailey participate in the Company s 401(k) Plan and qualified defined-benefit Salaried Employees Retirement Plan. In addition to the standard benefits available to all eligible U.S. salaried employees, these four executives are eligible to participate in the Non-Qualified Supplemental Employees Retirement Plan ( SERP ) and Non-Qualified Deferred Compensation Plan for Designated Officers and Employees ( Employee Deferred Compensation Plan ). Mr. Keating participates in the West Pharmaceutical Services Deutschland GmbH & Co. KG Deferred Compensation Benefit Plan ( German Deferred Compensation Plan ). The SERP is described under *2007 Pension Benefits Table* on page 34 and the Employee Deferred Compensation Plan is described under *2007 Nonqualified Deferred Compensation* on page 32.

**Other Compensation**

We provide our Named Executive Officers with other benefits, reflected in the All Other Compensation column of the *2007 Summary Compensation Table* on page 27, that we believe are reasonable and competitive. In total, they represent a small percentage of the executives overall compensation, and include premiums paid on life insurance policies, medical policies and Company contributions to 401(k) and deferred compensation plan accounts. Dr. Morel, Mr. Federici, Mr. Ellers, Mr. Gailey, along with other U.S.-based executive officers, receive the use of a Company-leased automobile. The Company eliminated all other perquisites that were previously provided to the U.S.-based Named Executive Officers, including the financial planning reimbursement and executive medical reimbursement arrangements. Mr. Keating receives use of a Company-leased automobile and reimbursement for a golf-club membership. The Company also provides him with a variety of perquisites and benefits that the Company considers customary for overseas assignments of senior executive personnel.

**Termination and Change in Control Agreements**

***Termination Agreements***

Upon certain types of terminations not relating to a change in control of the Company, severance benefits may be paid to certain Named Executive Officers.  Severance benefits for Dr. Morel are addressed in his employment agreement and for Mr. Ellers and Mr. Keating in a Non-Competition Agreement and a Severance and Non-Competition Agreement, respectively.  Severance benefits payable to the other Named Executive Officers will be determined by the Compensation Committee in its discretion.

***Change in Control Agreements***

We have also entered into Change in Control Agreements with each of our Named Executive Officers. We believe that such agreements are an important element in ensuring that the executives remain focused on the Company s business in the event of a threat or occurrence of a change in control; encourage executives to act in the best interest of the shareholders in evaluating a transaction; and protect the value of the Company by retaining key talent. The Change in Control Agreements come into play if there is a change in control and a qualifying termination, commonly referred to as a double trigger. Additional details are described under *Estimated Payments Following Severance* beginning on page 36.

**Accounting Impact on Executive Compensation**

In designing our total compensation and benefit programs, we review the accounting implications of our decisions. We seek to deliver cost effective compensation and benefit programs that meet our needs while ensuring an appropriate impact on reported earnings and other financial measures that are deemed important to the Company. We have also taken steps to ensure that all of our nonqualified deferred compensation plans and arrangements comply with the recently implemented regulations under Section 409A of the Internal Revenue Code.

**Deductibility of Executive Compensation**

Under Section 162(m) of the Internal Revenue Code, a publicly held corporation such as the Company is denied a federal tax deduction for compensation in excess of $1,000,000, which is paid to its chief executive officer and its three most-highly compensated executive officers other than the chief financial officer. Qualified performance-based compensation and certain other compensation are not subject to the deduction limitation. Our Board of Directors has taken action to cause cash bonus awards and grants of stock options, PVS units and other stock awards under West s incentive plans to be treated as qualified performance-based compensation and, therefore, not be limited by Section 162(m).

**Benchmarking**

To assure that executive compensation is market competitive, the Committee sets midpoint base salaries, target bonus levels and long-term incentive award values at the median of a select group of peer companies and compensation data from a broader survey conducted by the Consultant.

The peer group companies were selected based on their comparability to West as measured by global footprint, manufacturing capabilities, revenues, materials, intellectual-property profile and customer characteristics. The peer group was proposed by the Consultant, and selected and agreed to by the Committee and management. It is comprised of the following companies:

**Business Segment Comparator Group**

| | | | |
|---|---|---|---|
| Advanced Medical Optics, Inc. | Cooper Industries, Inc. | Kinetic Concepts, Inc. | Respironics, Inc. |
| AptarGroup, Inc. | C. R. Bard, Inc. | Mentor Corporation | Rochester Medical Corporation |
| Arrow International, Inc. | Dade Behring Inc. | Edwards Lifesciences LLC | Theragenics Corporation |
| Baxter International, Inc. | Datascope Corp. | Hospira, Inc. | Tyco Healthcare |
| Beckman Coulter, Inc. | Dentsply International Inc. | Millipore Corporation | Varian Medical Systems, Inc. |
| Becton Dickinson & Co. | Invacare Corporation | Pall Corporation | |

The broader market group consists of companies with revenues of $500 million to $2 billion in the chemicals, electronics and scientific equipment, healthcare/medical products, industrial manufacturing and pharmaceuticals industries that participate in the Consultant s annual executive compensation database. Intended to represent the marketplace where the Company may compete for talent, this broader group is used to confirm the competitiveness of compensation paid to similar executives at the peer group companies and when information on particular executive positions at the peer group companies is unavailable. The 57 companies in the Talent Market Group used for 2007 compensation purposes are:

**Talent Market Comparator Group**

| | | |
|---|---|---|
| Actuant Corporation | Advanced Medical Optics, Inc. | Ameron International Corporation |
| Arysta LifeScience North America | Barnes Group, Inc. | Barr Laboratories, Inc. |
| Brady Corporation | Celgene Corporation | Cephalon, Inc. |
| Covance, Inc. | Cubic Corporation | Dade Behring Holdings, Inc. |
| Donaldson Company, Inc. | MSC Industrial Direct Co., Inc. | Omnova Solutions, Inc. |
| PerkinElmer, Inc. | Dresser, Inc. | Dynea, Oy |
| Herbalife International of America, Inc. | Herman Miller, Inc. | IDEX Corporation |
| International Specialty Products | JLG Industries, Inc. | Kaman Industrial Technologies |
| Koppers, Inc. | LORD Corporation | LifeLabs |
| Milacron, Inc. | Millennium Pharmaceuticals, Inc. | Millipore Corporation |
| Plexus Corp. | Purdue Pharma L.P. | Rayonier Inc. |
| Sencorp, Inc. | Sensata Technologies, Inc. | Sybron Dental Specialties, Inc. |
| Toro Pharm Logistics | Visiting Nurse Service | Warner Chilcott Limited |
| Watson Pharmaceuticals, Inc. | Schweitzer-Mauduit International, Inc. | Shire plc |
| AMETEK, Inc. | Dentsply Pharmaceutical | International Flavors & Fragrances, Inc. |
| Bracco Diagnostics, Inc. | Packaging Corporation of America, Inc. | King Pharmaceuticals, Inc. |
| The Connell Company | H.B. Fuller Company | Medimmune, Inc. |
| Mine Safety Appliances | Thomas & Betts Corporation | Sigma-Aldrich Corporation |
| Regal-Beloit Corporation | Wellcare Health Plans, Inc. | Makino, Inc. |

In 2007, the Committee reviewed a detailed analysis of all elements of executive compensation prepared by the Consultant. The analysis compared the (i) base salary, (ii) total cash compensation (base salary plus cash bonus) and (iii) total direct compensation (total cash compensation plus the expected value of long-term incentives) of each Named Executive Officer against the same categories of compensation for the Business Segment Group and the Talent Market Group. The compensation for the groups reflected pay in effect on March 12, 2006 and were adjusted using a 3.75% annual update factor.

The analysis revealed that base salaries and total cash compensation (base salary plus bonus) levels for the Named Executive Officers were within (+/- 15%) the 50$^{th}$ percentile range of the Business Segment Group. However, with some exceptions, total direct compensation levels were below the competitive range due to generally below-market long-term incentive awards. Reflecting the more modest pay practices of the cross-industry sampling represented by the Talent Market Group, all elements of West s targeted compensation opportunity are generally aligned with median market levels. The Committee used these data to adjust 2007 base salary, bonus and the expected value and mix of long-term incentive awards for certain of the Named Executive Officers, as described in *Elements of Executive Pay* above.

**2007 CEO Compensation Decisions**

The evaluation of the CEO is one of the fundamental duties of the Board of Directors. The CEO evaluation process is led by the Committee and presented to the independent directors in executive session. The CEO is evaluated by each Board member against pre-established criteria for the year, as well as on multi-year objectives. Compensation discussions are held in January and are recommended and approved by the Committee to the independent directors at the executive session held in February.

In reaching its recommendation for Dr. Morel s 2007 compensation, the Committee considered the following factors:

- The financial and strategic results achieved by the Company for the last calendar year relative to the pre-established objectives in the Company s annual operating plan and multi-year strategic plan;
- The financial plans and strategic objectives for the next fiscal year;
- Other strategic and operational factors critical to the long-term success of the Company;

- The benchmarking analysis described previously; and
- Guidance from the Consultant.

Based on the above and in recognition of Dr. Morel s strong leadership in strategically positioning the Company for future growth and success, the independent members of the Board of Directors approved the following compensation actions:

- Dr. Morel did not receive a regular increase in his base salary for 2007 in light of the increase awarded to him by the Board in December 2006. However, Dr. Morel did receive an increase in base salary of $5,000 solely to compensate for the elimination by the Company of perquisites that reimbursed certain medical and financial planning expenses.
- Dr. Morel s Annual Incentive Plan award for 2007 was consistent with the formula for other corporate employees, reflecting the 86.7% final payout factor based on achieving the corporate performance goals.
- In 2007, Dr. Morel received 96,576 stock options and 27,541 PVS units. Under the terms of the award, the award will be adjusted based on the attainment of the performance measures mentioned above. As a result, the primary elements of Dr. Morel s compensation for 2007 are targeted to be $1,490,540 assuming all performance targets for the Company are met, and including the target value for long-term incentives that will be earned over future years. Dr. Morel s actual compensation will vary from this amount, depending upon the actual performance of the Company and its stock price over time.

Total compensation for Dr. Morel is higher than any other Named Executive Officer due to his breadth of responsibilities for the entire enterprise.

## Compensation Committee Report

The Compensation Committee, composed of independent directors, reviewed and discussed the preceding Compensation Discussion and Analysis with the Company s management. Based on this review and discussions, the Compensation Committee recommended to the Company s Board of Directors, and the Board of Directors approved, that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

**Compensation Committee:**

L. Robert Johnson, Chairman

Anthony Welters

Patrick J. Zenner

**Executive Compensation Tables**

The following table includes information on the compensation of the Named Executive Officers listed in the table for the fiscal year ended December 31, 2007.

**2007 Summary Compensation Table**

| Name and Principal Position (a) | Year (b) | Salary (1) ($) (c) | Bonus (2) ($) (d) | Stock Awards (3) ($) (e) | Option Awards (4) ($) (f) | Non-Equity Incentive Plan Compensa-tion (5) ($) (g) | Change in Pension Value and Nonquali-fied Deferred Compen-sation Earnings (6) ($) (h) | All Other Compensa-tion (7) ($) (i) | Total ($) (j) |
|---|---|---|---|---|---|---|---|---|---|
| Donald E. Morel, Jr. Chairman of the Board and Chief Executive Officer | 2007 | $ 778,382 | -0- | $ 1,344,222 | $ 733,539 | $ 676,005 | $ 155,146 | $ 137,111 | $ 3,824,405 |
| | 2006 | 664,059 | 200 | 1,159,851 | 574,926 | 915,904 | 263,085 | 143,177 | 3,721,202 |
| William J. Federici Vice President and Chief Financial Officer | 2007 | 407,656 | -0- | 339,993 | 178,234 | 236,603 | 61,682 | 74,179 | 1,298,347 |
| | 2006 | 376,190 | 100 | 246,652 | 106,455 | 280,797 | 41,828 | 69,736 | 1,121,758 |
| Steven A. Ellers President and Chief Operating Officer | 2007 | 446,843 | -0- | 581,377 | 307,828 | 288,466 | 99,033 | 70,392 | 1,793,939 |
| | 2006 | 388,145 | 200 | 492,467 | 212,814 | 340,478 | 301,376 | 76,321 | 1,811,801 |
| Robert J. Keating* President, Europe and Asia Pacific | 2007 | 360,866 | -0- | 177,300 | 97,609 | 221,632 | -0- | 292,144 | 1,149,551 |
| | 2006 | 311,929 | -0- | 147,349 | 65,922 | 224,860 | -0- | 279,182 | 1,029,242 |
| John R. Gailey III Vice President, General Counsel and Secretary | 2007 | 305,691 | -0- | 171,058 | 92,936 | 136,504 | 46,429 | 57,241 | 809,859 |
| | 2006 | 273,578 | 200 | 133,786 | 59,173 | 168,419 | 81,168 | 55,002 | 771,326 |

(1) Amounts shown are not reduced to reflect the Named Executive Officers elections, if any, to defer receipt of salary into the Employee Deferred Compensation Plan.

(2) Represents annual holiday bonus, which was eliminated effective January 1, 2007 for the U.S.-based Named Executive Officers.

(3) These amounts represent the compensation costs of incentive (time-vesting restricted) shares and PVS units recognized as expense in West s financial statements in 2007 under FAS 123(R). The costs relate to stock awards made in February 2007, as well as outstanding prior awards. See Note 16 of the Notes to Financial Statements contained in the Company s 2007 Form 10-K for the assumptions made in

determining FAS 123(R) values. The fair value of all stock-based compensation awards is recognized as an expense over the related performance or service period required for the awards to vest. Incentive shares vest over four years and PVS unit awards pay out at the end of the three-year performance period. The expense for PVS unit awards reflects estimated performance payout factors. The following table summarizes the portion of 2007 expense attributable to unearned PVS unit awards by year of award and the total number of outstanding unvested incentive shares granted to each Named Executive Officer and the associated compensation costs for 2007.

| | PVS Unit Awards | | | Unvested Incentive Shares | |
|---|---|---|---|---|---|
| **Name** | **2005 Award ($)** | **2006 Award ($)** | **2007 Award ($)** | **(#)** | **($)** |
| Donald E. Morel, Jr. | 341,843 | 341,133 | 634,541 | 3,891 | 26,705 |
| William J. Federici | 88,313 | 64,107 | 173,053 | 2,118 | 14,520 |
| Steven A. Ellers | 149,554 | 141,027 | 259,590 | 4,563 | 31,206 |
| Robert J. Keating | 42,735 | 44,867 | 86,538 | 587 | 3,160 |
| John R. Gailey III | 42,735 | 38,467 | 86,538 | 548 | 3,318 |

(4) These amounts represent the compensation costs of stock option awards recognized as expense in West s financial statements in 2007 under FAS 123(R). The options generally become exercisable in four equal installments over four years following the grant date. The FAS 123(R) value as of the grant date for options is spread over the number of months of service required for the grant to become non-forfeitable. The costs relate to options granted in February 2007, as well as outstanding prior awards granted in February 2006, March 2005, May 2004 and, in the case of Dr. Morel, March 2002. As noted in Note 16 of the Notes to Financial

Statements contained in the Company s 2007 Form 10-K, the value used for recognition of expense for stock options was calculated using the Black-Scholes option pricing model based on the following weighted average assumptions:

| | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|
| Expected Life (Years) | 6 | 6 | 6 | 5 |
| Risk-Free Interest Rate | 3.95% | 4.07% | 4.62% | 4.46% |
| Dividend Yield | 2.17% | 1.72% | 1.47% | 1.16% |
| Expected Volatility | 27.7% | 27.9% | 29.3% | 30.3% |

The following table summarizes the 2007 expense attributable to stock options by grant date of the award:

| Name | 2004 Award ($) | 2005 Award ($) | 2006 Award ($) | 2007 Award ($) |
|---|---|---|---|---|
| Donald E. Morel, Jr. | 58,820 | 169,911 | 194,266 | 310,542 |
| William J. Federici | 10,640 | 32,715 | 50,185 | 84,694 |
| Steven A. Ellers | 23,096 | 72,700 | 84,993 | 127,029 |
| Robert J. Keating | 7,353 | 23,628 | 24,283 | 42,345 |
| John R. Gailey III | 6,315 | 19,993 | 24,283 | 42,345 |

(5) The amounts included in this column are the Annual Incentive Plan awards for 2007, which were paid in early 2008, ranging between 81.8% and 102.6% of target. Amounts shown are not reduced to reflect the Named Executive Officers elections, if any, to defer receipt of awards into the Employee Deferred Compensation Plan or German Deferred Compensation Plan, as applicable. Annual Incentive Plan payouts are in cash, except participants may elect to have up to 100% of their Annual Incentive Plan award paid in shares of West common stock, referred to as bonus shares, valued at the date the award is approved by the Compensation Committee. The following table shows the percentage of the total incentive-plan payout that each Named Executive Officer elected to receive in shares, net of applicable taxes:

| Name | % of Annual Incentive Plan Paid in Bonus Shares | Number of Bonus Shares Awarded |
|---|---|---|
| Donald E. Morel, Jr. | 24.25% | 2,894 |
| William J. Federici | 64.00% | 3,720 |
| Steven A. Ellers | 62.50% | 4,617 |
| Robert J. Keating | 0% | |
| John R. Gailey III | 15.00% | 491 |

(6) These amounts are solely an estimate of the increase in actuarial present value of the Named Executive Officers age-65 accrued benefit under the Company s retirement plans for 2007. Assumptions are further described under *2007 Pension Benefits Table* on page 34. Amounts are payable only when a participant s employment terminates, and may be reduced if benefits are commenced prior to retirement.

(7) Represents (i) reimbursement for financial-planning services, which was discontinued effective January 1, 2007 for the U.S.-based Named Executive Officers, (ii) costs of providing a Company-leased vehicle, including lease payments, gas, maintenance and insurance, (iii) Company matching contributions on cash deferrals to the Employee Deferred Compensation Plan and 401(k) Plan, (iv) the incremental cost of additional medical benefits provided to executives, including Company-paid premiums for executive medical plan coverage, which was discontinued effective May 1, 2007 for the U.S.-based Named Executive Officers, (v) Company-paid life insurance premiums, (vi) dividend equivalents paid in 2007 on unvested incentive shares and unearned PVS units and (vii) tax gross-ups.

**All Other Compensation 2007**

| Name | Use of Company Car | Deferred Comp Plan/Savings Plan Company Match | Company Paid Medical Plan Costs | Life Insurance | Dividend Equivalents | Tax Gross-ups | Other | Total |
|---|---|---|---|---|---|---|---|---|
| Donald E. Morel, Jr. | $ 33,447 | $ 31,135 | $ 10,369 | $ 4,437 | $ 43,367 | $ 14,356 | $ | $ 137,111 |
| William J. Federici | 27,157 | 16,306 | 10,369 | 1,006 | 10,359 | 8,982 | | 74,179 |
| Steven A. Ellers | 19,161 | 18,218 | 5,083 | 1,045 | 18,114 | 8,771 | | 70,392 |
| Robert J. Keating* | 21,745 | 0- | 4,144 | 8,487 | 5,658 | 76,758 | 175,352(a) | 292,144 |
| John R. Gailey III | 20,136 | 12,228 | 10,369 | 755 | 4,943 | 8,810 | | 57,241 |

(a) Represents the following compensation paid to Mr. Keating in connection with his overseas assignment: cost-of-living allowance $57,656; Company payment for the purchase of private retirement benefit $89,125; airfare for spouse $12,258; partial golf club membership $1,368; furniture storage $1,762; tax and financial planning and preparation $9,384; and disability insurance premiums $3,799.

* The dollar amounts shown for Mr. Keating were converted from Euros to U.S. Dollars, except for life insurance premium payments that are included as All Other Compensation, which are converted from Australian Dollars, as follows:

| Year | Average Monthly Euro Exchange Rate | Average Monthly Australian Dollar Exchange Rate |
|---|---|---|
| 2006 | 0.7974 | 1.3289 |
| 2007 | 0.7310 | 1.1960 |

**2007 Grants of Plan-Based Awards Table**

The following table provides information on stock options, bonus shares, incentive shares (time-vested restricted stock) and PVS units granted to our Named Executive Officers in 2007. The portion of these awards that was expensed in 2007 is shown in the *2007 Summary Compensation Table* on page 27. The compensation plans under which the grants were made are described in the Compensation Discussion and Analysis section under the *Long-Term Incentives* heading.

| | | Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) | | | Estimated Future Payouts Under Equity Incentive Plan Awards (2) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Name (a)** | **Grant Date (b)** | **Threshold ($) (c)** | **Target ($) (d)** | **Maximum ($) (e)** | **Threshold (#) (f)** | **Target (#) (g)** | **Maximum (#) (h)** | **All Other Stock Awards: Number of Shares of Stock or Units (3) (#) (i)** | **All Other Option Awards: Number of Securities Under-lying Options (#) (j)** | **Exercise or Base Price of Option Awards (4) ($/Sh) (k)** | **Closing Price on Grant Date (4) ($/Sh) (l)** | **Grant Date Fair Value of Stock and Option Awards (5) ($) (m)** |
| Donald E. Morel, Jr. | 2/27/07 | 390,011 | 780,021 | 1,170,031 | | | | | | | | |
| | 2/27/07 | | | | 13,771 | 27,541 | 55,082 | | | | | 1,238,519 |
| | 2/27/07 | | | | | | | 756 | | | | 33,997 |
| | 2/27/07 | | | | | | | | 96,576 | 44.97 | 45.80 | 1,490,602 |
| William J. Federici | 2/27/07 | 136,505 | 273,009 | 409,514 | | | | | | | | |
| | 2/27/07 | | | | 3,756 | 7,511 | 15,022 | | | | | 337,700 |
| | 2/27/07 | | | | | | | 384 | | | | 17,268 |
| | 2/27/07 | | | | | | | | 26,339 | 44.97 | 45.80 | 406,529 |
| Steven A. Ellers | 2/27/07 | 176,257 | 352,514 | 528,771 | | | | | | | | |
| | 2/27/07 | | | | 5,634 | 11,267 | 22,534 | | | | | 506,677 |
| | 2/27/07 | | | | | | | 930 | | | | 41,822 |
| | 2/27/07 | | | | | | | | 39,508 | 44.97 | 45.80 | 609,786 |
| Robert J. Keating | 2/27/07 | 108,008 | 216,016 | 324,024 | | | | | | | | |
| | 2/27/07 | | | | 1,878 | 3,756 | 7,512 | | | | | 168,907 |
| | 2/27/07 | | | | | | | | 13,169 | 44.97 | 45.80 | 203,257 |
| John R. Gailey III | 2/27/07 | 78,754 | 157,508 | 236,262 | | | | | | | | |
| | 2/27/07 | | | | 1,878 | 3,756 | 7,512 | | | | | 168,907 |
| | 2/27/07 | | | | | | | | 13,169 | 44.97 | 45.80 | 203,257 |

(1) These amounts represent the minimum, target and maximum awards under the Annual Incentive Plan. The amounts shown in this column are not reduced to reflect any elections to defer receipt of an executive s cash bonus or bonus shares under the Employee Deferred Compensation Plan or German Deferred Compensation Plan, as applicable.

(2) These amounts represent PVS units granted which may vest depending on attainment of performance targets over a three-year performance period. All PVS units have a grant date FAS 123(R) value of $44.97 per share. The amounts shown in this column are not reduced to reflect any elections to defer receipt of an executive s PVS units under the Employee Deferred Compensation Plan.

(3) The amounts represent the number of incentive shares (time-vested restricted stock) awarded to the Named Executive Officers who have elected to receive a portion of their Annual Incentive Plan payout in the form of bonus shares. The amounts shown in this column are not reduced to reflect any elections to defer receipt of an executive s incentive shares under the Employee Deferred Compensation Plan.

(4) The exercise price of all options granted in February 2007 equals the average of the high and low of West common stock on the grant date, so the exercise price of the stock options reported under column (l) was less than the closing price of West common stock on the grant date as reported under column (k). For options granted after May 1, 2007, the exercise price will be equal to the closing price.

(5) Column (m) includes the aggregate FAS 123(R) values of options and stock awards granted during 2007. The per-option FAS 123(R) grant date value was $15.435 each for all options. See Note 16 of the Notes to Financial Statements contained in the Company s 2007 Form 10-K for the assumptions made in determining FAS 123(R) values.

**Outstanding Equity Awards at Fiscal Year-End 2007**

The following table contains information on the current holdings of stock options, unearned PVS units and unvested incentive shares held by the Named Executive Officers on December 31, 2007.

| | **Option Awards** | | | | | **Stock Awards** | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Name (a)** | **Number of Securities Underlying Unexercised Options (#) Exercisable (b)** | **Number of Securities Underlying Unexercised Options (#) Unexercisable (c)** | **Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)** | **Option Exercise Price ($) (e)** | **Option Expiration Date (f)** | **Number of Shares or Units of Stock That Have Not Vested (#) (g)** | **Market Value of Shares or Units of Stock That Have Not Vested ($) (h)** | **Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (i)** | **Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (j)** |
| Donald E. Morel, Jr. | | | | | | 3,891(7) | 157,936* | 157,766(8) | 6,403,722* |
| | 8,167(1) | 60,000(2) | | 13.05 | 3/25/2010 | | | | |
| | 248,423(3) | | | 13.99 | 4/30/2012 | | | | |
| | 75,935(4) | | | 11.30 | 4/28/2008 | | | | |
| | 102,000(3) | 34,000 | | 19.37 | 5/5/2014 | | | | |
| | 47,591(3) | 47,952 | | 24.20 | 4/11/2015 | | | | |
| | 18,564(3) | 55,963 | | 32.59 | 2/24/2016 | | | | |
| | | 96,576(3) | | 44.97 | 2/27/2017 | | | | |
| William J. Federici | | | | | | 2,118(7) | 85,970* | 37,752(8) | 1,532,354* |
| | 100,000(5) | | | 13.51 | 8/17/2008 | | | | |
| | 6,150(3) | 18,450 | | 19.37 | 5/5/2014 | | | | |
| | 9,000(3) | 9,000 | | 25.53 | 3/5/2015 | | | | |
| | 4,795(3) | 19,183 | | 32.59 | 2/24/2016 | | | | |
| | | 26,339 | | 44.97 | 2/27/2017 | | | | |
| Steven A. Ellers | | | | | | 4,563(7) | 185,212* | 65,896(8) | 2,674,719* |
| | 110,000(1) | | | 13.02 | 3/25/2010 | | | | |
| | 50,000(4) | | | 11.30 | 4/28/2008 | | | | |
| | 40,500(3) | 13,350 | | 19.37 | 5/5/2014 | | | | |
| | 20,000(3) | 20,000 | | 25.53 | 3/5/2015 | | | | |
| | 8,122(3) | 24,366 | | 32.59 | 2/24/2016 | | | | |
| | | 39,508(3) | | 44.97 | 2/27/2017 | | | | |
| Robert J. Keating | | | | | | 587(7) | 23,826* | 20,588(8) | 835,667 |
| | 16,000(6) | | | 14.41 | 3/8/2012 | | | | |
| | 12,750(3) | 4,250 | | 19.37 | 5/5/2014 | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 6,500(3) | 6,500 | 25.53 | 3/5/2015 | | | | |
| | 2,320(3) | 6,962 | 32.59 | 2/24/2016 | | | | |
| | | 13,169 | 44.97 | 2/27/2017 | | | | |
| John R. Gailey III | | | | | 548(7) | 22,243* | 19,628(8) | 796,701* |
| | 28,800(1) | | 13.02 | 3/25/2010 | | | | |