

Lewis Clinton A. Jr.
 Form 4
 February 15, 2018

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 Estimated average burden hours per response... 0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Lewis Clinton A. Jr.

(Last) (First) (Middle)
 C/O ZOETIS INC., 10 SYLVAN WAY
 (Street)

PARSIPPANY, NJ 07054

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Zoetis Inc. [ZTS]

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/13/2018

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Executive Vice President

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

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

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

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

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SEC 1474
 (9-02)

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

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

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) Code V | Disposed of (D) (Instr. 3, 4, and 5) (A) | (D) Date Exercisable | Expiration Date | Title | Am Num Shar |
|--|------------------------------|------------------|-------------------|--|----------------------|-----------------|--------------|-------------|
| Restricted Stock Unit ⁽¹⁾ | <u>(2)</u> | 02/13/2018 | A | 6,826 | <u>(3)</u> | <u>(4)</u> | Common Stock | |
| Stock Option ⁽⁶⁾ | <u>(7)</u> | 02/13/2018 | A | 24,642 | <u>(8)</u> | <u>(9)</u> | Common Stock | |
| Performance Award Unit ⁽¹⁰⁾ | <u>(11)</u> | 02/13/2018 | A | 10,795.7844 | <u>(12)</u> | <u>(4)</u> | Common Stock | 10 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Lewis Clinton A. Jr. C/O ZOETIS INC. 10 SYLVAN WAY PARSIPPANY, NJ 07054 | | | Executive Vice President | |

Signatures

/s/ Katherine H. Walden, as Attorney-in-Fact 02/15/2018

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Represents restricted stock units granted pursuant to the Zoetis Inc. 2013 Equity and Incentive Plan, and dividend equivalent units automatically issued thereon (each an "RSU" and collectively, "RSUs"). Restricted stock units vest and are settled in shares of Zoetis common stock on the third anniversary of the date of grant, subject to the reporting person's continued service through such vesting date and subject to earlier vesting and settlement upon certain specific events. Dividend equivalent units vest and are settled in shares of Zoetis common stock on the third anniversary of the date of grant of the underlying restricted stock units, subject to the reporting person's continued service through such vesting date and subject to earlier vesting and settlement upon certain specific events.
- (2) Each RSU represents a contingent right to receive one share of Zoetis Inc. common stock.
- (3) Each RSU will vest and be settled in shares of Zoetis Inc. common stock on the third anniversary of the date of grant, subject to the reporting person's continued service through such vesting date and subject to earlier vesting and settlement upon certain specific events.
- (4) Not applicable.
- (5) The RSUs vest as follows: 7,394.8771 RSUs will vest on February 27, 2018; 9,703.8279 RSUs will vest on February 19, 2019; 8,539.1257 RSUs will vest on February 14, 2020; and 6,826 RSUs will vest on February 13, 2021.
- (6) Stock options (right to buy Zoetis Inc. common stock) granted pursuant to the Zoetis Inc. 2013 Equity and Incentive Plan. Each option vests on the third anniversary of the date of grant.
- (7) 42,796 options granted January 31, 2013 at an exercise price of \$26.00 per option; 46,816 options granted March 4, 2014 at an exercise price of \$30.89 per option; 28,563 options granted February 27, 2015 at an exercise price of \$46.09 per option; 35,746 options granted February 19, 2016 at an exercise price of \$41.83 per option; 32,634 options granted February 14, 2017 at an exercise price of \$55.02 per

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option; and 24,642 options granted February 13, 2018 at an exercise price of \$73.24 per option.

(8) Each option vests on the third anniversary of the date of grant.

(9) Each option expires on the tenth anniversary of the date of grant.

(10) Represents performance award units with a three-year performance period covering 2015-2017 that were granted pursuant to the Zoetis Inc. 2013 Equity and Incentive Plan, and dividend equivalent units automatically issued thereon. The performance award units reported herein were deemed acquired on February 13, 2018, which is the date the Zoetis Compensation Committee certified the level of achievement of the applicable performance goal for these performance award units. The performance award units (and dividend equivalent units issued thereon) will vest and be settled in shares of Zoetis common stock on February 27, 2018, subject to the reporting person's continued service through such vesting date and subject to earlier vesting and settlement upon certain specific events.

(11) Each performance award unit represents a contingent right to receive one share of Zoetis Inc. common stock.

(12) Each performance award unit will vest and be settled in shares of Zoetis Inc. common stock on February 27, 2018, subject to the reporting person's continued service through such vesting date and subject to earlier vesting and settlement upon certain specific events.

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

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