

Actavis plc
Form PRE 14A
March 31, 2015
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Actavis plc

(Name of Registrant as Specified in its Charter)

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

N/A

Payment of Filing Fee (Check the appropriate box):

No fee required.

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- (1) Title of each class of securities to which transaction applies:
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- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

Notice of 2015 Annual General
Meeting of Shareholders

June 5, 2015

8:30 a.m. local time

1 Grand Canal Square, Docklands, Dublin 2, Ireland

You are hereby notified that the 2015 Annual General Meeting of Shareholders (the “*Annual Meeting*”) of Actavis plc (the “*Company*”) will be held at 1 Grand Canal Square, Docklands, Dublin 2, Ireland, at 8:30 a.m. local time, on June 5, 2015, for the following purposes:

1. To elect Paul M. Bisaro, Nesli Basgoz, M.D., James H. Bloem, Christopher W. Bodine, Christopher J. Coughlin, Michael R. Gallagher, Catherine M. Klema, Peter J. McDonnell, M.D., Patrick J. O’Sullivan, Brenton L. Saunders, Ronald R. Taylor, and Fred G. Weiss as members of the Board of Directors to hold office until the 2016 Annual Meeting or until each of their respective successors is duly elected and qualified.
2. To approve, in a non-binding vote, Named Executive Officer compensation;
To ratify, in a non-binding vote, the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015 and to authorize, in a binding vote, the Board of Directors, acting through the Audit and Compliance Committee, to determine PricewaterhouseCoopers LLP’s remuneration;
3. To pass a special resolution to approve, subject to the approval of the Registrar of Companies in Ireland, the change in name of the Company from Actavis plc to Allergan plc;
4. To approve the Amended and Restated 2013 Incentive Award Plan of Actavis plc;
5. To consider two shareholder proposals, if properly presented at the meeting;
6. To receive the Company’s Irish Statutory Accounts for the fiscal year ended December 31, 2014 and the reports of the directors and auditors thereon, and to review the affairs of the Company; and
7. To transact such other business as may properly come before the Annual Meeting or any adjournment, postponement or continuation thereof.
- 8.

The Board of Directors has fixed the close of business on April 10, 2015 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. Only shareholders of record at the close of business on April 10, 2015 will be entitled to notice of and to vote at the Annual Meeting or any adjournment, postponement or continuation thereof. Your attention is directed to the Proxy Statement for more complete information regarding the matters to be acted upon at the Annual Meeting.

The Proxy Statement, 2014 Annual Report to Shareholders and 2014 Irish Statutory accounts are available at www.proxyvote.com.

You may vote your shares in person at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, we encourage you to vote your shares: (i) by accessing the Internet site described on the proxy card, (ii) by calling the toll-free telephone number listed on the Internet site, voter instruction form, or proxy card, or (iii) by marking, dating and signing any proxy card or voter instruction form provided to you and returning it in the accompanying postage paid envelope as quickly as possible.

[date], 2015

Dublin, Ireland

By Order of the Board of Directors

A. Robert D. Bailey

Chief Legal Officer and Secretary

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[date], 2015

To Our Shareholders:

You are cordially invited to attend the 2015 Annual Meeting of Shareholders of Actavis plc. The annual meeting will be held at 1 Grand Canal Square, Docklands, Dublin 2, Ireland, on June 5, 2015 at 8:30 a.m. local time.

In connection with the annual meeting, we have prepared a Notice of Annual Meeting of Shareholders, a proxy statement, and our 2014 Annual Report to Shareholders, which provides detailed information relating to our activities and operating performance. The proxy statement describes the matters to come before the annual meeting. During the annual meeting, we will also review the Company's 2014 Irish Statutory accounts.

We appreciate your continued interest and support as an Actavis plc shareholder. We hope that you will be able to attend the annual meeting in person, and we look forward to seeing you.

It is important that your shares be represented and voted whether or not you plan to attend the annual meeting in person. You may grant your proxy to vote your shares by completing and mailing the proxy card enclosed with the proxy statement, or you may grant your proxy electronically via the Internet or by telephone by following the instructions on the proxy card. If your shares are held in "street name," which means shares held of record by a broker, bank, or other nominee, you should review the proxy materials or voting instruction form your broker provided to you to determine whether and how you will be able to vote by telephone or over the Internet. Voting over the Internet, by telephone or by mailing a proxy card, will ensure your shares are represented at the annual meeting. Your vote is important, regardless of the number of shares that you own.

Sincerely,

Brenton L. Saunders

*President, Chief Executive Officer
and Director*

Paul M. Bisaro

Executive Chairman and Director

Recent changes in Irish accounting regulations require the Company to adopt a new accounting framework for its parent entity Irish statutory accounts for the financial year starting 1 January 2015. The transition date for the purpose of preparing a prior year comparative will be 1 January 2014. The Board of Directors considers it to be in the best interests of the Company to adopt either FRS 101 or FRS 102 (Reduced Disclosure Framework) for the financial year starting 1 January 2015. Whichever of these options we select, the Company will utilise the disclosure exemptions available. No disclosures in the current US GAAP financial statements would be omitted on adoption of either FRS 101 or FRS 102 (Reduced Disclosure Framework).

A shareholder or shareholders having an aggregate holding of 5% of more of the total allotted shares in the Company may serve objections in writing to the use of the disclosure exemptions to the Company Secretary at Actavis plc, 1 Grand Canal Square, Docklands, Dublin 2, Ireland before • 2015

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ACTAVIS PLC

1 Grand Canal Square, Docklands

Dublin 2, Ireland

PROXY STATEMENT

General

Your proxy is solicited by the Board of Directors of Actavis plc (“Actavis,” the “Company,” “we,” “us” and “our”) for use at the 2015 Annual Meeting of Shareholders (the “Annual Meeting”) to be held at 1 Grand Canal Square, Docklands, Dublin 2, Ireland, at 8:30 a.m. local time on June 5, 2015 for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders.

In connection with the Annual Meeting, we have prepared a Notice of Annual Meeting of Shareholders, a Proxy Statement, and our 2014 Annual Report to Shareholders, which provides detailed information relating to our activities and operating performance. This Proxy Statement and related proxy materials are being mailed on or about [date of mailing], 2015.

As disclosed in our public filings with the SEC, the Company became the successor registrant to Actavis, Inc. (f/k/a Watson Pharmaceuticals, Inc.) on October 1, 2013. References throughout to “we,” “our,” “us,” the “Company” or “Actavis” refer to financial information and transactions of Watson Pharmaceuticals, Inc. prior to January 23, 2013, Actavis, Inc. from January 23, 2013 until October 1, 2013 and Actavis plc subsequent to October 1, 2013. On July 1, 2014, the Company completed its acquisition of Forest Laboratories, Inc (“Forest” and such transaction, the “Forest Transaction”). On March 17, 2015, the Company completed its acquisition of Allergan, Inc. (“Allergan”).

Who Can Vote

Only shareholders of record of our ordinary shares at the close of business on April 10, 2015, the record date for the Annual Meeting, are entitled to receive notice of and to vote their shares at the Annual Meeting. As of that date, there were [•] ordinary shares outstanding. Most of our shareholders hold their shares through a broker, bank or other nominee rather than directly in their own name. Certain distinctions between shares held of record and those owned beneficially are summarized below:

Shareholder of Record. If your ordinary shares are registered directly in your name with our transfer agent, Computershare, you are considered the shareholder of record with respect to those shares and these proxy materials are being sent to you directly by the Company. As the shareholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting.

Beneficial Owner. If your shares are held in a brokerage account or by another nominee, you are considered to be the beneficial owner of shares held in “street name,” and these proxy materials, together with a voting instruction card, are being forwarded to you by your broker, bank or other nominee. As the beneficial owner of the shares, you have the right to direct your broker, bank or other nominee how to vote and are also invited to attend the Annual Meeting. If you are a beneficial owner whose shares are held in street name, you are not the shareholder of record and you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy giving you the right to vote your shares at the Annual Meeting from the broker, bank or other nominee holding your shares in street name. If your shares are held in street name, your broker, bank or other nominee has enclosed or provided voting instructions for you to use in directing the broker, bank or other nominee how to vote your shares.

Each ordinary share is entitled to one vote on each matter properly brought before the Annual Meeting.

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How to Vote

Your vote is very important and we encourage you to vote your shares and to submit your proxy regardless of whether or not you plan to attend the Annual Meeting. If you properly give your proxy and submit it to us in time to vote, one of the individuals named as your proxy will vote your shares as you have directed.

Shareholders of Record

If you are a shareholder of record, you may vote in one of the following ways:

By Telephone or on the Internet. You may vote by calling the toll-free telephone number noted on your proxy card. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern time on June 3, 2015. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. You also may choose to vote on the Internet. The website for Internet voting is noted on your proxy card. Internet voting also is available 24 hours a day and will be accessible until 11:59 p.m. Eastern time on June 3, 2015. As with telephone voting, you may confirm that your instructions have been properly recorded. Shareholders who vote through the Internet or telephone should be aware that they may incur costs to access the Internet, such as usage charges from telephone companies or Internet service providers, and that these costs must be borne by the shareholder.

By Mail. If you received a paper copy of the proxy card by mail and choose to vote by mail, please mark your proxy card, date and sign it, and promptly return it in the postage-paid envelope provided.

In Person at the Annual Meeting. You may vote in person by attending the Annual Meeting and submitting a ballot.

Shares must be voted either in person, by telephone, on the Internet or by completing and returning a proxy card.

If your proxy is properly completed, the shares it represents will be voted at the Annual Meeting as you instructed. If you submit your proxy, but do not provide instructions, your proxy will be voted in accordance with the Board's recommendations as set forth in this Proxy Statement.

Beneficial Owners

If you are a beneficial owner of shares held in street name, then your broker, bank or other nominee will include instructions on how to vote your shares. Your broker, bank or nominee may allow you to deliver your voting instructions over the Internet and may also permit you to submit your voting instructions by telephone. In addition, you may request additional paper copies of the Proxy Statement and voting instruction form from your broker, bank or nominee by following the instructions on the proxy materials provided by your broker, bank or nominee. If you hold your shares in street name, you will need to obtain a legal proxy from your bank, broker or nominee in order for you to vote in person at the Annual Meeting and submit the legal proxy along with your ballot at the Annual Meeting.

Revoking Your Proxy

You have the right to revoke your proxy at any time before it is voted at the Annual Meeting by (1) filing a written notice with our Corporate Secretary, (2) delivering a new proxy bearing a later date, (3) granting a later proxy through telephone or Internet voting, or (4) attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

Any such notices and new proxies that are sent by mail should be sent to Actavis plc, Corporate Secretary, 1 Grand Canal Square, Docklands, Dublin 2, Ireland.

Persons who hold their shares through a bank, brokerage firm or other nominee, may change their voting instructions by following the requirements of their bank or broker, or may vote in person at the Annual Meeting by obtaining a legal proxy from their bank or broker and submitting the legal proxy along with their ballots.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON JUNE 5, 2015

The Notice of Annual Meeting, this Proxy Statement, the 2014 Annual Report to Shareholders and the 2014 Irish Statutory accounts are available at www.proxyvote.com.

You are encouraged to review all of the important information contained in the proxy materials before voting.

Solicitation of Proxies

We have retained the services of a proxy solicitation firm, MacKenzie Partners Inc. (“MacKenzie”), to solicit proxies for the Annual Meeting from our shareholders. We will bear the entire cost of our and MacKenzie’s solicitations, including the payment of fees of approximately \$25,000 to MacKenzie for their services, and the cost of preparation, assembly, printing and mailing of this Proxy Statement, the proxy card and any additional information furnished to shareholders. In addition to the use of the mail, our directors, officers and employees may solicit proxies on our behalf by telephone, facsimile, electronic mail or personal solicitation. Our directors, officers and employees will receive no additional compensation for such services. We will reimburse brokers, custodians and nominees for the reasonable expenses they incur furnishing proxy solicitation and other required Annual Meeting materials to street-name holders who beneficially own those shares on the record date.

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Quorum and Voting

At the close of business on April 10, 2015, [•] ordinary shares were outstanding and entitled to vote at the Annual Meeting. Votes cast by proxy (including through the Internet or by telephone) or in person at the Annual Meeting will be tabulated by the election inspector appointed for the Annual Meeting who will determine whether or not a quorum is present. The presence, in person or by proxy, of the holders of a majority of our outstanding ordinary shares and entitled to vote at the Annual Meeting is necessary in order to constitute a quorum for the conduct of business at the Annual Meeting.

If your ordinary shares are held by a broker in street name, under the rules of the New York Stock Exchange (“NYSE”) your broker may vote your shares on certain matters if you do not provide your broker with voting instructions. Proposal No. 3, the ratification of the selection of our independent registered public accountants and the authorization of the Board of Directors, acting through the Audit and Compliance Committee, to determine its remuneration, is considered a routine matter upon which brokerage firms may vote on behalf of their clients even if no voting instructions are provided. A “broker non-vote” occurs when a broker holding your shares in street name does not vote on a particular matter because you did not provide the broker voting instructions and the broker lacks discretionary voting authority to vote the shares because the matter is non-routine.

The non-routine matters on the agenda for this year’s Annual Meeting are (i) the election of directors, (ii) an advisory vote to approve the compensation of our Named Executive Officers, (iii) the passing of a special resolution to approve of the change in name of the Company, (iv) the approval of the Amended and Restated 2013 Incentive Award Plan (the “Equity Plan Proposal”) and (v) the two shareholder proposals. Accordingly, with respect to the proposals other than Proposal No. 3 (ratification of the selection of our independent registered public accountants and authorization of the Board of Directors, acting through the Audit and Compliance Committee, to determine its remuneration), your broker will not be able to vote your shares without specific instructions from you.

If a proxy is received but marked “abstain” or if a broker non-vote occurs, those shares will be considered as present and entitled to vote for purposes of determining the presence of a quorum.

A properly submitted proxy (including through the Internet or by telephone) that is received before the polls are closed at the Annual Meeting and that is not revoked will be voted in the manner directed by the shareholder submitting the proxy. If no direction is made, such proxy will be voted:

- **FOR** the election of Paul M. Bisaro, Nesli Basgoz, M.D., James H. Bloem, Christopher W. Bodine, Christopher J. Coughlin, Michael R. Gallagher, Catherine M. Klema, Peter J. McDonnell, M.D., Patrick J. O’Sullivan, Brenton L. Saunders, Ronald R. Taylor, and Fred G. Weiss as our directors;
- **FOR** the approval, on a non-binding basis, of our Named Executive Officer compensation;

FOR the ratification, on a non-binding basis, of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015 and the authorization, on a binding basis, of the Board of Directors, acting through the Audit and Compliance Committee, to determine its remuneration;

FOR the approval as a special resolution, subject to the approval of the Registrar of Companies in Ireland, of a change in name of the Company from Actavis plc to Allergan plc;

•**FOR** the approval of the Equity Plan Proposal;

•**AGAINST** the shareholder proposal described in Proposal No. 6; and

•**AGAINST** the shareholder proposal described in Proposal No. 7.

As of the date of this Proxy Statement, the Board of Directors knows of no other business that will be presented for consideration at the Annual Meeting. However, if other proper matters are presented at the Annual Meeting, or any continuations, adjournments or postponements of the Annual Meeting, it is the intention of the proxy holders named in our form of proxy to vote the proxies held by them in accordance with their best judgment.

The proxy for the Annual Meeting gives each of Brenton L. Saunders, Paul M. Bisaro and A. Robert D. Bailey discretionary authority to vote your shares in accordance with his best judgment with respect to all additional matters that might come before the Annual Meeting.

“Householding”

In an effort to reduce printing costs and postage fees, we have adopted a practice approved by the SEC called “householding.” Under this practice, non-registered shareholders who have the same address and last name will receive only one copy of the proxy materials, unless one or more of these non-registered shareholders notifies us that he or she wishes to receive individual copies. If you share an address with another non-registered shareholder and prefer to receive separate copies of the proxy materials, please mail your request to Actavis plc, Investor Relations, Morris Corporate Center III, 400 Interpace Parkway, Parsippany, NJ 07054, or call our investor relations department at 1-862-261-7488.

Information on Our Website

Information on our website, other than our Proxy Statement and form of proxy, or any other website referred to in this Proxy Statement, is not part of the proxy soliciting material and is not incorporated into this Proxy Statement by reference.

Assistance

If you need assistance in submitting your proxy or have questions regarding the Annual Meeting, please contact our investor relations department at 1-862- 261-7488 or investor.relations@actavis.com or write to: Investor Relations, Actavis plc, Morris Corporate Center III, 400 Interpace Parkway, Parsippany, NJ 07054.

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PRESENTATION OF IRISH STATUTORY ACCOUNTS

The Company's Irish Statutory Accounts for the fiscal year ended December 31, 2014, including the reports of the directors and auditors thereon, will be presented at the Annual Meeting. There is no requirement under Irish law that such accounts be approved by shareholders, and no such approval will be sought at the Annual Meeting. The Company's 2014 Irish Statutory Accounts are available with the Proxy Statement, the 2014 Annual Report to Shareholders and other proxy materials at www.proxyvote.com.

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

Under the Company's Articles of Association, the Board of Directors must consist of between five and fourteen directors, with the exact number determined by the Board of Directors. On February 5, 2015, the Board of Directors approved a reduction in the size of the Board of Directors from fourteen to twelve, which became effective on March 17, 2015 upon the closing of the Company's acquisition of Allergan. In order to effectuate the reduction in the size of the Board of Directors, and to accommodate the appointment of two members of the Allergan board of directors to the Board of Directors (as discussed below), each of Tamar D. Howson, John A. King, Jiri Michal and Andrew L. Turner agreed to resign from the Board of Directors, effective upon the earlier of the closing of the Company's acquisition of Allergan and the Annual Meeting.

Therefore, at the Annual Meeting, twelve directors are to be elected to serve until the 2015 Annual Meeting or until their successors are duly elected and qualified.

Based upon the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has nominated Paul M. Bisaro, Nesli Basgoz, M.D., James H. Bloem, Christopher W. Bodine, Christopher J. Coughlin, Michael R. Gallagher, Catherine M. Klema, Peter J. McDonnell, M.D., Patrick J. O'Sullivan, Brenton L. Saunders, Ronald R. Taylor, and Fred G. Weiss for reelection as directors to serve until the 2016 Annual Meeting or until their successors are duly elected and qualified.

Other than as set forth below, no director nominee was selected pursuant to an arrangement or understanding between such nominee and any other person.

- In connection with the Forest Transaction, the board appointed Nesli Basgoz, M.D., Christopher J. Coughlin and Brenton L. Saunders to serve as members of the board until the 2015 annual meeting of Actavis shareholders or such director's earlier resignation, removal or death. Dr. Basgoz and Messrs. Coughlin and Saunders were appointed pursuant to the terms of the merger agreement between the Company and Forest, which required the Company to take action necessary to cause Mr. Saunders and two other Forest directors to become members of the Actavis board immediately after the Forest Transaction. As an executive officer of Actavis, Mr. Saunders does not serve on any of the board's committees.

- Pursuant to the Allergan Merger Agreement, the Company was required to take such actions as would be necessary to cause two (2) individuals who were members of the board of directors of Allergan to become members of the Company Board of the Directors immediately after the closing of the merger between the Company and Allergan. Effective March 17, 2015, the Board of Directors appointed Michael R. Gallagher and Peter J. McDonnell, M.D., to the Board of Directors.

Information about each director nominee is set forth in the following paragraphs and is based on information provided to us as of March 30, 2015. The Board of Directors knows of no reason why any of the following nominees will be unavailable to serve, but in the event of any such unavailability, the proxies received will be voted for such substitute

nominees as the Board of Directors may recommend, unless the number of directors constituting a full Board of Directors is reduced.

DIRECTOR NOMINEES FOR ELECTION AT THE ANNUAL MEETING:

Paul M. Bisaro

Director of Actavis, Inc. since 2007 and the Company since 2013

Mr. Bisaro, age 54, has served as Executive Chairman of our Board of Directors since July 2014. He previously served as our President and Chief Executive Officer and as chairman of our Board of Directors since October 2013; prior to being chairman he served on the Board of Directors of Actavis, Inc. since September 2007. Prior to joining Actavis, Mr. Bisaro was President, Chief Operating Officer and a member of the Board of Directors of Barr Pharmaceuticals, Inc., a global specialty pharmaceutical company (“Barr”), from 1999 to 2007. Between 1992 and 1999, Mr. Bisaro served as General Counsel of Barr, and from 1997 to 1999 served in various additional capacities including Senior Vice President — Strategic Business Development. Prior to joining Barr, he was associated with the law firm Winston & Strawn and a predecessor firm, Bishop, Cook, Purcell and Reynolds from 1989 to 1992. Mr. Bisaro also currently serves on the Boards of Visitors of the Catholic University of America’s Columbus School of Law and Zimmer Holdings, Inc. Mr. Bisaro holds an undergraduate degree in General Studies from the University of Michigan and a Juris Doctor from Catholic University of America in Washington, D.C. The Board concluded that Mr. Bisaro should serve on the Board because of his experience as a senior executive in our industry, his knowledge of our Company and its day-to-day operations and his strong strategic vision for the Company.

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Nesli Basgoz, M.D.

Director of the Company since 2014

Dr. Basgoz, age 57, joined the Board of Directors in July 2014. She previously served as a member of the Board of Directors of Forest Laboratories, Inc. since 2006. Dr. Basgoz is the Associate Chief for Clinical Affairs, Division of Infectious Diseases at Massachusetts General Hospital (MGH) and serves on the hospital's Board of Trustees. In addition, Dr. Basgoz is an Associate Professor of Medicine at Harvard Medical School. Previously, she served as Clinical Director in the Infectious Diseases Division of MGH for six years. Dr. Basgoz earned her M.D. Degree and completed her residency in internal medicine at Northwestern University Medical School. She also completed a fellowship in the Infectious Diseases Division at the University of California at San Francisco. She is board certified in both infectious diseases and internal medicine. The Board concluded that Dr. Basgoz should serve on the Board because of her extensive experience in infectious diseases, one of our specialty areas.

James H. Bloem

Director of the Company since 2013

Mr. Bloem, age 64, joined the Board of Directors in October 2013. He previously served as a member of the Warner Chilcott plc ("Warner Chilcott") Board of Directors since 2006 and was a member of the board of one of Warner Chilcott's predecessor companies from 1996 to 2000. Mr. Bloem retired on December 31, 2013, after 13 years as Senior Vice President, Chief Financial Officer and Treasurer of Humana Inc. ("Humana"), one of the nation's largest health benefit companies. He joined Humana in 2001 and had responsibility for all of the Humana's accounting, actuarial, analytical, financial, tax, risk management, treasury and investor relations activities. Mr. Bloem also serves as Chairman of the Board of Directors of ResCare, Inc., as well as a director of Rotech Healthcare, Inc. The Board concluded that Mr. Bloem should serve on the Board because of his extensive experience in the healthcare industry, including as an executive officer of Humana, as well as his leadership skills and financial knowledge, which enable him to serve as a financial expert on our Audit and Compliance Committee.

Christopher W. Bodine

Director of Actavis, Inc. since 2009 and the Company since 2013

Mr. Bodine, age 59, served as a member of Actavis, Inc.'s Board of Directors since 2009 and joined our Board of Directors in October 2013. Mr. Bodine retired from CVS Caremark in January 2009 after 24 years with CVS. Prior to his retirement, Mr. Bodine served as President, Healthcare Services of CVS Caremark Corporation, where he was responsible for strategy, business development, trade relations, sales and account management, pharmacy merchandising, marketing, information technology and Minute Clinic. Prior to the merger of CVS Corporation and Caremark Rx, Inc. in March 2007, Mr. Bodine served for several years as Executive Vice President — Merchandising and Marketing of CVS Corporation. Mr. Bodine is active in the pharmaceutical industry, having served on a number

of boards and committees, including the Healthcare Leadership Council, RI Quality Institute, National Retail Federation, National Association of Chain Drug Stores (NACDS), and the NACDS Pharmacy Affairs and Leadership Committees. Mr. Bodine also previously served as a director with Nash Finch. The Board concluded that Mr. Bodine should serve on the Board because of his extensive industry experience and knowledge of the needs and operations of our major customers.

Christopher J. Coughlin

Director of the Company since 2014

Mr. Coughlin, 62, joined the Board of Directors in July 2014. He previously served as a member of the Board of Directors of Forest Laboratories, Inc. since 2011. Since 2012, Mr. Coughlin has served as a senior advisor to McKinsey & Co. Mr. Coughlin served as an advisor to Tyco International from 2010 until September 30, 2012. He was Executive Vice President and Chief Financial Officer of Tyco International from 2005 to 2010. During his tenure, he played a central role in the separation of Tyco into five independent, public companies and provided financial leadership surrounding major transactions, including the \$2 billion acquisition of Broadview Security, among many other responsibilities and accomplishments. Prior to joining Tyco, he worked as the Chief Operating Officer of the Interpublic Group of Companies from June 2003 to December 2004, as Chief Financial Officer from August 2003 to June 2004 and as a director from July 2003 to July 2004. Previously, Mr. Coughlin was Executive Vice President and Chief Financial Officer of Pharmacia Corporation from 1998 until its acquisition by Pfizer in 2003. Prior to that, he was Executive Vice President of Nabisco Holdings and President of Nabisco International. From 1981 to 1996 he held various positions, including Chief Financial Officer, at Sterling Drug. Mr. Coughlin is currently serving as the Chairman of the Board of Dun & Bradstreet, where he is a former member of the Audit Committee, chairs the Board Affairs Committee, and is a member of the Compensation and Benefits Committee. He also serves on the board of Alexion Pharmaceuticals where he is a member of the Audit Committee and the Pharmaceutical Compliance and Quality Committee. In addition, Mr. Coughlin previously served on the boards of Covidien, Dipexium, the Interpublic Group of Companies, Monsanto Company and Perrigo Company. Mr. Coughlin has a B.S. in accounting from Boston College. The Board concluded that Mr. Coughlin's depth of experience in executive leadership roles within complex corporate organizations and his audit committee service on public company boards contributes critical risk oversight and management insight to our Board and therefore Mr. Coughlin should serve on the Board.

Michael R. Gallagher

Director of the Company since 2015

Mr. Gallagher, age 69, served on the Allergan, Inc. Board of Directors from 1998 until our acquisition of Allergan in March 2015, and served as its Lead Independent Director and Chair of the Organization and Compensation Committee. In 2004, Mr. Gallagher retired as Chief Executive Officer and as a Director of Playtex Products, Inc. Prior to joining Playtex in 1995, Mr. Gallagher was Chief Executive Officer of North America for Reckitt & Colman plc; President and Chief Executive Officer of Eastman Kodak's subsidiary, L&F Products; President of the Lehn & Fink Consumer Products Division at Sterling Drug, General Manager of the Household Products Division of the Clorox Company, and Brand Manager of The Procter & Gamble Company. Mr. Gallagher is a member and past Chairman of the Board of Advisors of the Haas School of Business, University of California, Berkeley. The Board has concluded

that, with more than three decades of experience in key leadership roles at public and private personal care and consumer products companies, including as the former Chief Executive Officer of Playtex Products, Mr. Gallagher provides our Board with a wealth of business and management experience, as well as invaluable broad-based personal care and consumer products experience and therefore should serve as one of our directors.

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Catherine M. Klema

Director of Actavis, Inc. since 2004 and the Company since 2013

Ms. Klema, age 56, served as a member of Actavis, Inc.'s Board of Directors since 2004 and joined our Board of Directors in October 2013. She is currently President of Nettleton Advisors LLC, a consulting firm established by Ms. Klema in 2001. Prior to establishing her firm, Ms. Klema served as Managing Director, Healthcare Investment Banking, at SG Cowen Securities from 1997 to 2001. Ms. Klema also served as Managing Director, Healthcare Investment Banking, at Furman Selz LLC from 1994 until 1997, and was employed by Lehman Brothers from 1987 until 1994. Ms. Klema served as a director of Pharmaceutical Product Development, Inc., a global contract research organization, from 2000 to 2011. In March 2012, Ms. Klema was appointed to the Montefiore Medical Center Board of Trustees. The Board concluded that Ms. Klema's qualifications for service on our Board include her background in healthcare investment banking and her knowledge of the business of pharmaceutical research and development.

Peter J. McDonnell, M.D.

Director of the Company since 2015

Dr. McDonnell, age 57, served as a member of the Allergan, Inc. Board of Directors from 2013 until our acquisition of Allergan in March 2015, and served on its Corporate Governance and Compliance Committee and the Science and Technology Committee. Dr. McDonnell is the Director and William Holland Wilmer Professor of the Wilmer Eye Institute of the Johns Hopkins University School of Medicine since 2003. Dr. McDonnell also serves as the Chief Medical Editor of Ophthalmology Times since 2004, and has served on the editorial boards of numerous ophthalmology journals. Dr. McDonnell also served as the Assistant Chief of Service at the Wilmer Institute from 1987 to 1988. He served as a consultant to the United States Department of Health and Human Services in 1996. Dr. McDonnell served as a full-time faculty at the University of Southern California from 1988 until 1999, where he advanced to the rank of professor in 1994. The Board has concluded that Dr. McDonnell should serve as one of our directors because he provides our Board with wide-ranging expertise in ophthalmology and is widely recognized as an international leader in corneal transplantation, laser refractive surgery and the treatment of dry eye.

Patrick J. O'Sullivan

Director of the Company since 2013

Mr. O'Sullivan, age 73, previously served as a member of Warner Chilcott's Board of Directors since 2009 and joined our Board of Directors in October 2013. Prior to his retirement in 2006, Mr. O'Sullivan served in positions of increasing responsibility with LEO Pharma A/S ("LEO") for more than 30 years, most recently as the Chief Executive Officer of LEO Pharma Ireland and as a director of LEO. He also served as a director of LEO Pharmaceuticals Ltd. UK, LEO Pharma SA France and The LEO Foundation. Mr. O'Sullivan is a registered pharmacist, a member and honorary fellow of the Pharmaceutical Society of Ireland and a Knight of the Order of the Dannebrog. Currently, Mr.

O'Sullivan is a pharmaceutical business consultant and serves on the Board of Directors of Amarin Corporation plc, where he is a member of the audit committee, nominating committee and corporate governance committee. The Board concluded that Mr. O'Sullivan should serve on the Board because of his demonstrated management ability at senior levels within the pharmaceutical industry, his knowledge of the financial, operational and strategic requirements of a successful international business, which he developed as Chief Executive Officer of LEO Pharma Ireland, and his understanding of the fundamentals of the healthcare industry.

Brenton L. Saunders

Director of the Company since 2014

Mr. Saunders, 45, has served as a member of our Board and as President and Chief Executive Officer since July 2014. He was previously President and Chief Executive Officer of Forest Laboratories, Inc. since October 2013 and a member of the board of directors of Forest since 2011. Mr. Saunders served as Chief Executive Officer and as a board member of Bausch + Lomb Incorporated from March 2010 until August 2013, and as a senior executive with Schering-Plough from 2003 to 2010, most recently as President of Global Consumer Health Care. He also served as Head of Integration for both Schering-Plough's merger with Merck & Co. and for Schering-Plough's \$16 billion acquisition of Organon BioSciences. Before joining Schering-Plough, Mr. Saunders was a Partner and Head of the Compliance Business Advisory Group at PricewaterhouseCoopers LLP from 2000 to 2003. Prior to that, he was Chief Risk Officer at Coventry Health Care between 1998 and 1999 and a co-founder of the Health Care Compliance Association in 1995. Mr. Saunders began his career as Chief Compliance Officer for the Thomas Jefferson University Health System. In addition to the Bausch + Lomb board, he served on the board of ElectroCore LLC. He is also the former Chairman of the New York chapter of the American Heart Association. He currently is on the board of the Overlook Hospital Foundation and is also a member of the Board of Trustees of the University of Pittsburgh, The Business Council and PhRMA. He received a B.A. from the University of Pittsburgh, an M.B.A. from Temple University School of Business, and a J.D. from Temple University School of Law. The Board concluded that, based on Mr. Saunders' leadership experience as CEO of two global healthcare companies and deep pharmaceutical experience, Mr. Saunders provides deep management and operational experience, as well as invaluable senior compliance experience and broad regulatory expertise, and therefore should serve as one of our directors.

Ronald R. Taylor

Director of Actavis, Inc. since 1994 and the Company since 2013

Mr. Taylor, age 67, served as a member of the Actavis, Inc. Board of Directors since 1994 and joined our Board of Directors in October 2013. Mr. Taylor is the President of Tamarack Bay, LLC, a private consulting firm. He has been a director of ResMed Inc., a medical device manufacturer, since 2005. Prior to forming Tamarack Bay, Mr. Taylor was a general partner of Enterprise Partners Venture Capital, a venture capital firm, from 1998 until 2001. The Board concluded that Mr. Taylor should serve on the Board because of his experience as a founder of a successful business and his expertise in evaluating and investing in healthcare companies.

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Fred G. Weiss

Director of Actavis, Inc. since 2000 and the Company since 2013

Mr. Weiss, age 73, served as a member of Actavis, Inc.'s Board of Directors since 2000 and joined our Board of Directors in October 2013. Mr. Weiss is the managing director of the consulting firm FGW Associates, Inc., a position he has held since 1997, and prior to that served as an executive for Warner-Lambert for nearly 20 years, most recently as Vice President, Planning, Investment and Development. Mr. Weiss is also an Independent Vice-Chairman of the Board and Chairman of the Audit Committee of numerous BlackRock-sponsored mutual funds. In this capacity, and pursuant to BlackRock's policies, Mr. Weiss has oversight responsibility for finance and accounting matters, and has no responsibility for, or discretion concerning, any of BlackRock's equity investment decisions. Additionally, Mr. Weiss has been a Director of the Michael J. Fox Foundation for Parkinson's Research since 2000 and serves as the Chair of the Finance Committee. The Board concluded that Mr. Weiss is qualified to serve as a member of our Board of Directors because of, among other factors, his financial expertise and experience in strategic planning and corporate development.

The Board of Directors knows of no reason why any of the foregoing nominees will be unavailable to serve, but in the event of any such unavailability, the proxies received will be voted for such substitute nominees as the Board of Directors may recommend.

REQUIRED VOTE

Persons nominated to serve on our Board of Directors in an uncontested election must receive a greater number of votes cast "FOR" than votes cast "AGAINST" in order to be elected, or re-elected, to the Board of Directors. Accordingly, abstentions will not affect the outcome of the election of directors. Proxies cannot be voted for a greater number of persons or different persons than the nominees named.

Please note that if your broker holds your ordinary shares in "street name," your broker will not vote your shares on the election of directors, and broker non-votes will result, unless you provide your voting instructions to your broker. Broker non-votes will not affect the outcome of the election of directors.

The Board of Directors unanimously recommends a vote *FOR* the election of Paul M. Bisaro, Nesli Basgoz, M.D., James H. Bloem, Christopher W. Bodine, Christopher J. Coughlin, Michael R. Gallagher, Catherine M. Klema, Peter J. McDonnell, M.D., Patrick J. O'Sullivan, Brenton L. Saunders, Ronald R. Taylor, and Fred G. Weiss.

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Corporate Governance

CORPORATE GOVERNANCE GUIDELINES AND CODE OF CONDUCT

Our Board of Directors has adopted Corporate Governance Guidelines. These guidelines address the make-up and functioning of the Board of Directors and its committees, which include determining director independence, criteria for Board membership, and authority to retain independent advisors.

Our Board of Directors has also adopted a Code of Conduct (the “Code”), which applies to all of our Board members and all of our officers and employees. The Code sets forth and summarizes certain of our policies related to legal compliance and honest and ethical business practices. The Code is intended to comply with the standards set forth in Section 303A.10 of the NYSE’s Listed Company Manual and SEC rules and regulations. Any amendments to, or waivers from, provisions of the Code that apply to our directors or executive officers, including our Chief Executive Officer (“CEO”) and Chief Financial Officer and persons performing similar functions, will be promptly posted on our website at <http://www.Actavis.com>.

You can find links to our Corporate Governance Guidelines and our Code of Conduct under the “Investors — Corporate Governance” section of our website at <http://www.Actavis.com>. Copies of these materials are available to shareholders without charge upon request sent to Investor Relations at Actavis plc, Morris Corporate Center III, 400 Interpace Parkway, Parsippany, NJ 07054.

DIRECTOR INDEPENDENCE

On an annual basis our Board of Directors reviews the independence of all directors and affirmatively makes a determination as to the independence of each director. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with Actavis. To assist in making this determination, the Board has adopted Director Independence Standards, which are designed to conform to, or be more exacting than, the independence requirements set forth in the listing standards of the NYSE. You may find these standards at Exhibit A of our Corporate Governance Guidelines discussed above, which may be found under the “Investors — “Corporate Governance” section of our website at www.Actavis.com. In addition to applying these Director Independence Standards, the Board considers any and all additional relevant facts and circumstances in making an independence determination.

Our Board has determined that at least a majority of its directors has no direct or indirect material relationship with us (other than as our director) and such directors are independent within the meaning of the independence standards promulgated by the SEC and the NYSE. The Board determined, based on our Director Independence Standards and

the NYSE standards for independence, that Nesli Basgoz, M.D., James H. Bloem, Christopher W. Bodine, Christopher J. Coughlin, Catherine M. Klema, Patrick J. O'Sullivan, Ronald R. Taylor and Fred G. Weiss, have no material relationship with us and are independent directors. Messrs. Bisaro and Saunders were determined to be not independent because they are our Executive Chairman and Chief Executive Officer and President, respectively. As discussed above, pursuant to the Allergan Merger Agreement, the Company agreed to appoint two directors of Allergan to the Board of Directors and the Board of Directors has nominated Michael R. Gallagher and Peter J. McDonnell, M.D. to serve on the Board of Directors. In connection with the appointment of Mr. Gallagher and Dr. McDonnell, the Board determined, based on our Director Independence Standards and the NYSE standards for independence, that neither Mr. Gallagher nor Dr. McDonnell has a material relationship with us and each is an independent director.

In making its independence determinations, the Board reviewed transactions and relationships between each director, or any member of his or her immediate family, and us or one of our subsidiaries or affiliates based on information provided by the director, our records and publicly available information. Each of the reviewed transactions and arrangements were entered into in the ordinary course of business and none of the business transactions, donations or grants involved an amount that exceeded the greater of \$1 million or 2% of either company's revenues with respect to transactions where a director served as an employee or general partner of the entity party to the transaction or any member of his or her immediate family or spouse served as an executive officer or general partner of any such entity.

In making its independence determinations, the Board considered the fact that many of our independent directors currently serve or have previously served within the last three years as a professor, trustee, director, or member of a board, council or committee for one or more charitable organizations (including research or scientific institutions), hospitals, for profit corporations or any other entity with which Actavis has business transactions or to which Actavis may make grants. These business transactions may include, among other things, purchases of services and supplies, licensing transactions, healthcare sponsorships and programs, research and development and clinical trials, activities, and limited consulting services.

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None of our non-employee directors directly or indirectly provides any professional or consulting services to us and none of our directors currently has or has had any direct or indirect material interest in any of the above transactions and arrangements.

The Board has determined that these transactions were made in the ordinary course and did not affect the independence of the directors involved.

RISK OVERSIGHT

Risk is inherent in every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including economic risks, financial risks, legal and regulatory risks, and others, such as the impact of competition and reputational risks. Management is responsible for the day-to-day management of the risks that we face, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board is responsible for satisfying itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

While the Board is ultimately responsible for risk oversight at Actavis, various committees of the Board are actively involved in the oversight of risks facing us.

A committee of the Board receives regular reports from members of senior management on areas of material risk to the Company. When a committee receives the report, the Chairman of the relevant committee reports on the discussion to the full Board during the next Board meeting. This enables the Board and its committees to coordinate their oversight of risk and identify risk interrelationships. Pursuant to its charter, the Audit and Compliance Committee is responsible for discussing with management the Company's major areas of financial risk exposure, and reviewing the Company's risk assessment and risk management policies. As discussed in more detail in the Assessment of Compensation Risk section of this Proxy Statement, the Compensation Committee reviews our compensation programs to ensure that these programs do not lead to excessive risk-taking by our employees. The Board does not believe that its role in the oversight of the Company's risk affects the Board's leadership structure.

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Board of Directors and Committees

EXECUTIVE SESSIONS

We schedule regular executive sessions in which non-management directors meet without management participation. During 2014, Mr. Turner was our lead independent director until May 2014, after which the Board designated Ms. Klema to serve as our lead independent director. We also schedule regular executive sessions in which only independent directors meet.

COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Any interested party, including any shareholder, wishing to contact the Board of Directors, the presiding director of the non-management director meetings, or any other individual director may do so in writing by sending a letter to:

Chairman, Nominating and Corporate Governance Committee

c/o Corporate Secretary

Actavis plc

1 Grand Canal Square, Docklands

Dublin 2, Ireland

Our Corporate Secretary reviews all such written correspondence and regularly forwards to the Board of Directors a summary of all correspondence and copies of correspondence that, in the opinion of the Corporate Secretary, deal with the functions of the Board of Directors or its committees, or that the Corporate Secretary otherwise determines requires Board attention.

LEADERSHIP STRUCTURE

Our Board currently has no policy as to whether the roles of Chairman of the Board and Chief Executive Officer should be filled by separate individuals.

Immediately following the closing of the Forest Transaction, on July 1, 2014, Paul M. Bisaro (formerly the Chairman and Chief Executive Officer of the Company) became the Executive Chairman, and Brenton L. Saunders (formerly the Chief Executive Officer and President of Forest) became Chief Executive Officer, President, and a member of the Board of Directors of the Company. Our Board has determined this leadership structure to be appropriate for the Company at this time, as Mr. Bisaro possesses deep knowledge of the Company, its management and operations, and has extensive experience with integrating complex pharmaceutical enterprises. Separating the roles of Executive Chairman and Chief Executive Officer enables the Board to aid in the oversight of management. Additionally, the separation of roles ensures that Mr. Saunders is able to focus on the ongoing operations of the Company, strategic mergers and acquisitions and driving the integration of our business in light of recent significant acquisitions. Additionally, the Board believes having a lead independent director provides a well functioning and effective balance between strong Company leadership and appropriate safeguards and oversight by independent directors.

DIRECTOR NOMINATION PROCESS

The Nominating and Corporate Governance Committee considers director candidates from diverse sources, including suggestions from shareholders. From time to time, the Nominating and Corporate Governance Committee may engage a third party for a fee to assist in identifying potential director candidates. The Nominating and Corporate Governance Committee looks for candidates who represent a diverse mix of backgrounds and experiences that will enhance the quality of the board's deliberations and decisions. The backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Specifically, this committee seeks candidates who (a) bring not only direct experience, but also a variety of experience and background, both professionally and personally, (b) will represent the best interests of the shareholders as a whole rather than special interest groups or particular constituencies, (c) have a reputation for integrity and (d) satisfy the independence requirements of the NYSE, our Director Independence Standards and applicable law. The Nominating and Corporate Governance Committee's goal is to have a diverse, balanced and engaged board whose members possess the skills and background necessary to maximize shareholder value in a manner consistent

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with all legal requirements and the highest ethical standards. Our Corporate Governance Guidelines specify that the value of diversity on the Board should be considered by the Nominating and Corporate Governance Committee in the director identification and nomination process. This committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The Nominating and Corporate Governance Committee's Charter and our Corporate Governance Guidelines, which are published on our website at <http://www.Actavis.com> under the Investors section, set forth in further detail the criteria that guide this committee in assessing potential candidates for the Board of Directors.

In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee considers the director's contributions to the Board and the committees on which such person serves, participation in and attendance at meetings, and any changes in employment status, health, community activity or other factors that may affect the director's continuing contributions to the Board. The Nominating and Corporate Governance Committee evaluates each individual in the context of the Board as a whole, with the objective of recommending a group of candidates that can best ensure the long-term success of the business and represent shareholder interests through the exercise of sound judgment using its depth and diversity of experience.

The Nominating and Corporate Governance Committee initially evaluates a candidate for nomination to the Board based on information supplied by the party recommending the candidate and any additional public information that may be available. If the initial evaluation is favorable, the Nominating and Corporate Governance Committee gathers additional information on the candidate's qualifications, availability, probable level of interest and any potential conflicts of interest. If the subsequent evaluation is also favorable, the Nominating and Corporate Governance Committee contacts the candidate directly to better determine each party's level of interest in pursuing the candidacy and checks the candidate's references. If, after discussions and meetings, the candidate and the Nominating and Corporate Governance Committee establish a mutual interest in pursuing the candidacy, the committee will make a final recommendation to the Board to nominate the candidate for election by the shareholders (or to select the candidate to fill a vacancy, as applicable). The Nominating and Corporate Governance Committee employs the same process for evaluating all candidates, including those properly recommended by shareholders and will consider shareholder recommendations of candidates on the same basis as it considers all other candidates.

Shareholders wishing to recommend a director candidate for consideration by the Nominating and Corporate Governance Committee may do so by sending the candidate's name, biographical information and qualifications, together with a consent in writing signed by the recommended nominee that he or she is willing to be considered as a nominee and, if nominated and elected, he or she will serve as a director, to the Chair of the Nominating and Corporate Governance Committee in care of the Corporate Secretary, Actavis plc, 1 Grand Canal Square, Docklands, Dublin 2, Ireland. The submission of a recommendation by a shareholder in compliance with these procedures does not guarantee the selection of the shareholder's candidate or the inclusion of the candidate in our Proxy Statement. However, the Nominating and Corporate Governance Committee will consider any such candidate in accordance with the procedures and guidelines as described above and as set forth in the Charter of our Nominating and Corporate Governance Committee and in our Corporate Governance Guidelines.

BOARD MEETINGS

During the fiscal year ended December 31, 2014, the Board of Directors of Actavis plc held 17 meetings. Each incumbent director attended at least 75 percent of the combined total of (i) all Board of Directors and (ii) all meetings of committees of which the director was a member. We do not have a policy with regard to board members' attendance at annual meetings. All members of the Board then in office attended our 2014 Annual Meeting of Shareholders.

COMMITTEES

The Board of Directors has created four standing committees: the Audit and Compliance Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Operations and Innovation Committee. The Board of Directors has adopted a charter for each of the four committees. The charters for each committee and other materials related to corporate governance are available under the Investors section of our website at <http://www.Actavis.com>. A copy is also available to shareholders upon request sent to Investor Relations at Actavis plc, Morris Corporate Center III, 400 Interpace Parkway, Parsippany, NJ 07054.

THE AUDIT AND COMPLIANCE COMMITTEE

We have an Audit and Compliance Committee currently composed of Catherine Klema, James H. Bloem, Patrick J. O'Sullivan and Fred G. Weiss.

Mr. Weiss serves as the Chairman of the Audit and Compliance Committee. All of the members of the Audit and Compliance Committee have been determined by the Board of Directors to

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be “independent” and meet the audit committee independence requirements of the NYSE listing standards and SEC Rule 10A-3. The Board of Directors has determined that three of the current members of the Audit and Compliance Committee qualify as “audit committee financial experts” within the meaning of the SEC rules, and are financially literate as required under the NYSE listing standards. The functions of the Audit and Compliance Committee and its activities during fiscal 2014 are described below under the heading “Report of the Audit and Compliance Committee.”

The Audit and Compliance Committee is directly responsible for the engagement, compensation and oversight of the work of PricewaterhouseCoopers LLP (including resolution of disagreements, if any, between management and PricewaterhouseCoopers LLP regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. During the fiscal year ended December 31, 2014, the Audit and Compliance Committee of Actavis plc met 8 times.

THE COMPENSATION COMMITTEE

We have a Compensation Committee currently composed of Christopher W. Bodine, Christopher J. Coughlin and Ronald R. Taylor. Messrs. Bodine and Taylor and Tamar D. Howson served on the Compensation Committee throughout fiscal year 2014 and Mr. Coughlin was appointed to the Compensation Committee in July 2014. Effective March 17, 2015, Ms. Howson resigned from the Board and its committees.

Mr. Taylor serves as the Chairman of the Compensation Committee. All of the members of the Compensation Committee have been determined by the Board of Directors to be “independent” and meet the independence requirements of the NYSE listing standards. Our Board has determined that all current Compensation Committee members qualify as “non-employee directors” within the meaning of Section 16 of the Exchange Act and as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code. The primary purpose of the Compensation Committee is to: (1) evaluate the performance and determine the compensation of our chief executive officer and Executive Chairman; (2) review and determine the compensation payable to our executive officers; (3) oversee and administer our equity compensation and other incentive compensation plans; (4) oversee the use of senior executive employment agreements and severance plans; (5) review compensation programs and policies for features that may encourage excessive risk taking, and determine the extent to which there may be a connection between compensation and risk; and (6) review and approve the Compensation Discussion and Analysis to be included in the Proxy Statement for our annual meetings.

The Compensation Committee engaged Frederic W. Cook & Co., Inc. (“F.W. Cook”), an independent compensation consulting firm, to advise the Compensation Committee during 2014. F.W. Cook reported directly to the Compensation Committee and the Compensation Committee retains the right to terminate or replace the consultant at any time. F.W. Cook provides no services to the Company or management. Additional information about the Compensation Committee’s processes and procedures for consideration of executive compensation, including the role of our chief executive officer, are addressed in the Compensation Discussion and Analysis beginning on page 20. The Compensation Committee of Actavis plc met 6 times during the fiscal year ended December 31, 2014.

Each year the Compensation Committee reviews the independence of its compensation consultant and other advisors. In performing its analysis, the Compensation Committee considers the factors set forth in SEC rules and NYSE listing standards. After review and consultation with F.W. Cook, the Compensation Committee has determined that F.W. Cook is independent and there are no conflicts of interest raised by the work of F.W. Cook currently nor were any conflicts of interest raised by the work performed during the year ended December 31, 2014.

ASSESSMENT OF COMPENSATION RISK

The Compensation Committee, with the assistance of senior management and our independent compensation consultant, generally reviews the elements of our executive compensation programs to determine whether they encourage excessive risk taking. Among other things, it considers the following:

- A significant portion of executives' compensation is tied to the achievement of longer-term operational goals and sustained stock price performance, which is intended to encourage a long-term perspective and discourage short-term risk taking.

- Goals are appropriately set to be sufficiently challenging but also reasonably achievable with strong performance.

- The design of our short- and long-term incentives avoids steep payout cliffs at certain performance levels that may encourage short-term business decisions to meet payout thresholds.

To reduce the tendency of formulae and other objective financial performance measures to encourage short-term or excessive risk-taking, compensation decisions are not based solely on the Company's financial performance, but also on subjective considerations, which account for non-financial performance and judgment.

- The Company has stock ownership guidelines to further align the interests of our executives with shareholders, as well as clawback policies that require the recoupment of incentive compensation paid based on inaccurate financial statements.

Based on the above, management has determined that risks arising from these policies and practices for our employees are not reasonably likely to have a material adverse effect on the Company.

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THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

We have a Nominating and Corporate Governance Committee currently composed of Christopher W. Bodine, James H. Bloem, Christopher J. Coughlin, Catherine M. Klema, Ronald R. Taylor and Fred G. Weiss. With the exception of Messrs. Coughlin and Bloem, each member of the Nominating and Corporate Governance Committee served as such throughout fiscal year 2014. Mr. Bodine serves as the Chairperson of the Nominating and Corporate Governance Committee. All of the members of the Nominating and Corporate Governance Committee have been determined by the Board of Directors to be “independent” and meet the independence requirements of the NYSE listing standards. The key functions of the Nominating and Corporate Governance Committee are to identify and present qualified candidates to the Board of Directors for election or re-election as directors of the Company, ensure that the size and composition of the Board of Directors and its committees best serve our practices and objectives, develop and recommend to the Board of Directors a set of corporate governance guidelines and principles and periodically review and recommend changes to such guidelines and principles as deemed appropriate, oversee the evaluation of the Board of Directors and senior management, make recommendations to the board of directors regarding the compensation payable to members of the Board of Directors and make recommendations to the Board regarding governance matters, including our Amended and Restated Memorandum and Articles of Association. The Nominating and Corporate Governance Committee of Actavis plc met 5 times during the fiscal year ended December 31, 2014.

THE OPERATIONS AND INNOVATION COMMITTEE

We have an Operations and Innovation Committee currently composed of Nesli Basgoz, M.D. and Patrick J. O’Sullivan. Ms. Howson, Dr. King and Messrs. Michal, O’Sullivan and Turner served on the committee throughout fiscal year 2014. Dr. Basgoz was appointed to the Operations and Innovation Committee in July 2014. As discussed above, effective March 17, 2015, Ms. Howson, Dr. King and Messrs. Michal and Turner resigned from our Board. The Operations and Innovation Committee assists the Board of Directors with the Board’s oversight responsibilities regarding our compliance with applicable legal and regulatory requirements related to product safety and quality and environmental, health and safety matters. Mr. Michal served as the Chairman of the Operations and Innovation Committee during the fiscal year 2014. The Operations and Innovation Committee met 3 times during the fiscal year ended December 31, 2014.

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Compensation Discussion and Analysis

In this section, we discuss and analyze the material elements of compensation paid to each of our Named Executive Officers (or “NEOs”) in 2014.

Currently Employed Named Executive Officers

Brenton L. Saunders President and Chief Executive Officer
Paul M. Bisaro Former Chief Executive Officer; Current Executive Chairman
Maria Teresa Hilado Executive Vice President and Chief Financial Officer
Robert A. Stewart Executive Vice President and Chief Operating Officer
David A. Buchen Executive Vice President, North American Generics and International
William Meury Executive Vice President, North American Brands

Former Named Executive Officers

R. Todd Joyce* Former Chief Financial Officer
Sigurdur Olafsson** Former President – Actavis Pharma

* *Mr. Joyce retired from the Company on January 9, 2015. Details of his departure can be found on pg. 47.*

***Mr. Olafsson left the Company on June 30, 2014. Details of his departure can be found on pg. 47.*

The Executive Summary that follows provides an overview of our performance and its relationship with our compensation decisions and practices. Following the Executive Summary, we will review each element of compensation. This Compensation Discussion and Analysis should be read together with the information in the Summary Compensation Table and other executive compensation tables below.

EXECUTIVE SUMMARY

In 2014, we continued the dynamic transformation of our company, highlighted by our ability to drive and achieve strong growth and sustainable value creation across our businesses, while simultaneously executing business development initiatives that will propel our Company to create a new model in the industry – Growth Pharma.

COMPANY PERFORMANCE HIGHLIGHTS FOR 2014

Top Line / Bottom Line Results:

**Adjusted EBITDA is a metric used in our 162(m) plan, as discussed under “Annual Incentive Awards” below.*

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Commercial Segment Performance:

•*North American Brands:*

Net revenue increased 336% compared to 2013 (driven primarily due to the results from the Forest Laboratories, Inc. and Warner Chilcott plc acquisitions, which did not account for any sales in 2013).

•*North American Generics & International*

-Net revenue for the segment increased 5% compared to 2013

-Further strengthened U.S. Generics market position -- \$4.0 billion in sales

•*Anda*

-Delivered most successful year in its history with net revenues increasing 41% versus 2013.

Key Research & Development Achievements:

•*Brands*

FDA approval of Namzaric[™]; positive Ad Comm for Avycaz[™]; submitted NDA filings for Cariprazine, Eluxadoline and Liletta; submitted sNDA filings for Saphris[®] and Teflaro[®]; received positive CHMP opinion for Xydalba[™]

•*Generics*

-Filed 44 ANDAs; 220+ ANDAs pending; industry-leading 65+ first to files; more than 1,200 MAAs outside US.

Business Development:

•Announced \$66 billion acquisition of Allergan, Inc., which closed on March 17, 2015.

•Closed \$28 billion acquisition of Forest Laboratories, which significantly expanded our branded pharmaceutical business.

•Entered into other significant transactions including (1) the acquisitions of Silom Medical Company, Furiex Pharmaceuticals and Durata Therapeutics; and (2) the exclusive option to acquire Rhythm Health, Inc.

SHARE PERFORMANCE

The information in the graph below pertaining to our performance relative to the S&P 500 Index and the NYSE ARCA DRG Index is being furnished but not filed with the SEC, and as such, the information is neither subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934.

The following chart compares the five-year cumulative total returns of holders of Actavis' ordinary shares (formerly Class A common shares of Actavis, Inc.) with the cumulative total returns of the S&P 500 index and the NYSE ARCA DRG Index. The chart tracks the performance of a \$100 investment in our ordinary shares and in each of the

comparator groups (with reinvestment of all dividends, if any) for the applicable time frames.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURNS*

Among Actavis plc, the S&P 500 Index and the NYSE ARCA DRG Index

**\$100 invested on 12/31/09 in stock or index, including reinvestment of dividends. Fiscal year ending December 31, 2014.*

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[Back to Contents](#)**OUR NEW EXECUTIVE COMPENSATION FRAMEWORK**

In connection with our transformational merger with Forest Laboratories, we adopted a new executive compensation framework focused on the following key objectives (the objectives of our broader executive compensation framework are described below):

- Creating unambiguous long-term shareholder alignment by linking a substantial portion of executives' pay to share price appreciation;
- Delivering sustainable top- and bottom-line growth;
- Over-achieving our merger commitments;
- Creating a unified management team aligned to a shared set of objectives; and
- Retaining key executive talent.

Component	Key change	Purpose
Pay Mix (see page 24 for additional details)	Reduced base salaries for CEO (by 23%) and other senior executives (by 5%).	Ensure substantial portion of compensation is performance-based and tied to financial and share price performance.
New Performance Share Unit (PSU) Program (see page 29 for additional details)	New performance share unit (PSU) program with payouts dependent solely upon the achievement of certain share price compound annual growth rate targets during the period from July 1, 2014 through September 1, 2017. Additional service-based vesting feature provides for final payouts in 2019.	Create unambiguous long-term shareholder alignment and enhanced retention of key executives.
Stock Options (see page 30 for additional details)	Stock option grants with a longer vesting horizon (20% per year over five years) replace time-vested restricted stock units.	Create additional alignment between pay and long-term share price performance.
Front-Loading of Equity Grants (see page 28 for additional details)	Front-loaded three years' of equity grants for our executives.	Create strong focus on sustained growth and immediate shareholder alignment by emphasizing performance in critical first years immediately following the Forest Merger.
Merger Success Awards (see page 30 for additional details)	Special cash-based long-term incentive award with a performance period from July 1, 2014 through December 31, 2017. <ul style="list-style-type: none"> • Fifty percent of the award is earned based on the achievement of synergy savings related to the Forest Merger. 	Focus executives on delivering on our Forest Merger commitments while maintaining industry leading shareholder returns. Create enhanced retention of executives during the critical integration process.

- Fifty percent of the award is earned based on the achievement of above median shareholder returns relative to our peers.

OBJECTIVES OF BROADER EXECUTIVE COMPENSATION FRAMEWORK

Our compensation programs for our executives are designed to achieve the following objectives:

- Attract and retain top contributors to ensure that we have high caliber executives;
- Create and maintain a performance-driven organization by providing upside compensation opportunity for outstanding performance and downside compensation risk in the event of performance below expectations;
- Align the interests of our executives and shareholders by motivating executives to increase shareholder value along with the achievement of other key corporate goals and objectives and rewarding executives when shareholder value increases;
- Encourage teamwork and cooperation while recognizing individual contributions by linking variable compensation to Company and individual performance based on position, responsibilities and ability to influence financial and organizational results;
- Provide flexibility and allow for Compensation Committee judgment in applying our compensation principles in order to appropriately reflect individual circumstances as well as changing business conditions and priorities;
- Motivate our executives to manage our business to meet and appropriately balance our short- and long-term objectives, and reward them for meeting these objectives; and
- Reinforce our entrepreneurial culture.

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KEY GOVERNANCE FEATURES OF OUR EXECUTIVE COMPENSATION PROGRAMS

At-risk compensation and pay for performance. As illustrated by the charts on page 24, we link a significant portion of each Named Executive Officer's total compensation to the achievement of specific, rigorous performance goals. We consider such portion of each executive's compensation to be "at-risk."

Appropriate choice and use of peer groups. We have thoughtfully selected a peer group of companies with similar market capitalization or scope of operations to us to review relevant market competitiveness data and to ensure our Named Executive Officers' compensation remains competitive. We set executive total compensation at levels the Compensation Committee believes are appropriate relative to the total compensation paid to similarly situated executives of our peer companies, giving consideration to market and other factors as well as relative company performance.

Equity compensation best practices. Our equity plans prohibit option re-pricing or replacement of underwater options. Our equity incentives generally vest over a period of three to five years to ensure that our executives maintain a long-term view of shareholder value creation and to encourage retention.

No supplemental retirement plans. We do not maintain any supplemental retirement plans.

Caps on incentive awards. Our annual cash incentive awards and payouts under all of our equity- and cash-based long-term incentive awards are capped.

Limited gross-ups. Mr. Joyce's employment agreement, which was entered into prior to 2010, was our only NEO employment agreement which provides for a gross-up of excise taxes in connection with a change in control.

Limited perquisites and personal benefits. We provide our NEOs with only limited perquisites and personal benefits in addition to the regular benefits offered to all employees. We believe that each of these perquisites has an important business purpose, as explained below.

No single-trigger change in control benefits. Our change in control arrangements, which include payment of cash severance benefits under the NEOs' employment agreements or our change in control severance pay plan, as applicable, and accelerated vesting of long-term incentive awards, are "double-trigger" in that they are payable only if an NEO's employment is terminated following a change of control.

Independent Compensation Committee consultant. F.W. Cook, the Compensation Committee's compensation consultant, reports directly to the Compensation Committee and provides no services to the Company or management.

Risk mitigation. As described in further detail above on page 18 of this Proxy Statement, the mix and design of our compensation programs serve to mitigate operational, financial, legal and regulatory, and strategic and reputational risks. In addition, our share ownership guidelines and clawback policies help mitigate risk.

Share ownership requirements and anti-hedging and anti-pledging policies. Our executive officers are subject to minimum share ownership requirements intended to reflect the Compensation Committee's philosophy that all officers should hold a significant amount of shares to ensure their interests are aligned with those of our shareholders. In addition, our insider trading policy prohibits our Named Executive Officers from hedging their economic exposure to our shares or pledging our shares.

Clawback policies. Our 162(m) Plan, defined below, includes clawback policies requiring the recoupment of certain incentive compensation in the event of a restatement of our financial statements.

IMPACT OF 2014 SAY ON PAY VOTE

At our 2014 shareholders meeting, we provided shareholders with the opportunity to cast an annual advisory vote on executive compensation. Over 97% of the votes cast on this 2014 "say-on-pay" vote were in favor of the proposal. Although the results of this vote are advisory and non-binding, we have considered the results of the 2014 say-on-pay vote and we believe that overwhelming support of our shareholders for the 2014 say-on-pay vote proposal indicates that our shareholders are generally supportive of our approach to executive compensation. In the future, we will continue to consider the outcome of our say-on-pay votes and other shareholder feedback when making compensation decisions regarding our Named Executive Officers.

DETERMINATION OF COMPENSATION

ROLE OF THE COMPENSATION COMMITTEE AND MANAGEMENT IN COMPENSATION DECISIONS

The Compensation Committee makes all compensation decisions regarding senior management, which includes our Named Executive Officers and certain other senior officers of the Company. The Compensation Committee considers

the Chief Executive Officer's recommendations in determining the compensation of the other Named Executive Officers.

The Compensation Committee engaged F.W. Cook, an independent executive compensation consulting firm, to advise the Compensation Committee on matters related to Chief Executive Officer and other executive compensation with respect to 2014.

For more information on the role of the Compensation Committee and the Committee's independent consultant, see page 18 of this proxy statement.

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PRINCIPAL COMPONENTS OF 2014 EXECUTIVE COMPENSATION

This section describes the components of our Named Executive Officers' 2014 compensation, which consisted of the following:

- | Direct Compensation | Indirect Compensation |
|--|---|
| <ul style="list-style-type: none">• Base Salary• Annual Incentive Awards• Long-Term Incentives | <ul style="list-style-type: none">• Employee and other benefits |

The following chart illustrates the key compensation components for our Chief Executive Officer and other Named Executive Officers as a percentage of their 2014 total target direct compensation opportunities:

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BASE SALARY

Base salary provides our Named Executive Officers with a degree of financial certainty and stability. In setting base salaries and determining merit increases for our Named Executive Officers, the Compensation Committee takes into account a variety of factors, including:

- level of responsibility;
- individual and team performance;
- internal review of the Named Executive Officer's total compensation, individually and relative to our other officers and executives with similar responsibilities within the Company; and
- general levels of salaries and salary changes relative to our other officers and executives with similar responsibilities at peer group companies.

Salary levels are typically reviewed annually as part of our performance review process as well as upon a promotion or other change in job responsibility. Merit-based increases to the salaries of our Named Executive Officers are based on the Compensation Committee's and the Chief Executive Officer's assessment (other than for himself) of the individual's performance and market conditions.

After taking into consideration the factors listed above, Messrs. Stewart, Buchen, Joyce and Olafsson (collectively, the "Legacy Actavis NEOs") received the following merit increases in base salary for 2014, effective March 24, 2014: Mr. Stewart received a merit increase of 15%; Mr. Buchen received a merit increase of 5%; and Mr. Joyce received a merit increase of 3%. Messrs. Bisaro and Olafsson did not receive merit increases of their respective base salaries during 2014. Messrs. Saunders and Meury and Ms. Hilado were not employees of the Company prior to July 1, 2014.

In connection with the merger of Forest Laboratories with the Company on July 1, 2014 (the "Forest Merger"), Mr. Bisaro ceased to serve as our Chief Executive Officer and commenced service as our Executive Chairman, and Mr. Saunders commenced employment as our Chief Executive Officer and President. In connection with the Forest Merger, we entered into employment agreements with Messrs. Saunders and Bisaro, which became effective July 1, 2014. Mr. Saunders' 2014 base salary, which was set in arms' length negotiations in connection with the entrance into his employment agreement, was \$1,000,000. This represents a decrease of 23% from his base salary as Chief Executive Officer of Forest Laboratories to reinforce the enhanced performance orientation of our new executive compensation framework following the Forest Merger. Mr. Bisaro's 2014 base salary was reduced to \$750,000 in connection with his cessation of service as our Chief Executive Officer.

Also in connection with the Forest Merger, the Compensation Committee determined to decrease the annual base salaries for Messrs. Stewart, Buchen and Joyce by 5% to reinforce the enhanced performance orientation of our new executive compensation framework following the Forest Merger. Ms. Hilado commenced her employment with the

Company on December 8, 2014. Ms. Hilado's 2014 base salary, which was set in arms' length negotiations during the hiring process, was \$545,000.

The base salaries for our NEOs during 2014 (both before and after the Forest Merger) are set forth in the following table:

Name	Base Salary Immediately Prior to Forest Merger	Base Salary After July 2014 Forest Merger	Change (%)
Brenton L. Saunders	\$ 1,300,000	\$1,000,000	-23 %
Paul M. Bisaro	\$ 1,300,000	\$750,000	-42 %
Maria Teresa Hilado	—	\$545,000 *	N/A
Robert A. Stewart	\$ 750,000	\$715,000	-5 %
David A. Buchen	\$ 603,750	\$575,000	-5 %
William Meury	\$ 575,000	\$545,000	-5 %
R. Todd Joyce	\$ 577,179	\$550,000	-5 %
Sigurdur Olafsson	\$ 750,000	—	N/A

*Ms. Hilado commenced employment on December 8, 2014

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ANNUAL INCENTIVE AWARDS

Annual cash incentive awards are an important feature of our performance-based compensation program. Annual cash incentive awards to our Named Executive Officers are made under our 162(m) Plan, which the Company adopted and our shareholders approved in 2012. The 162(m) Plan is intended to allow incentive compensation payable under such plan to qualify as performance-based compensation and therefore be tax-deductible by the Company under Section 162(m) of the Internal Revenue Code. See “Tax Deductibility of Compensation” below for further information regarding Section 162(m).

For 2014, the maximum award for each participant under the 162(m) Plan continued to be based on a percentage of the Company’s operating income⁽¹⁾, as defined in the 162(m) Plan (3.0% for Messrs. Saunders and Bisaro and 2.0% for each of our other Named Executive Officers (other than Ms. Hilado)), with a cap of \$7,000,000 payable to any participant in any given year. Ms. Hilado’s employment with us commenced in December 2014 and, accordingly, she did not participate in the 162(m) Plan during 2014. Under the 162(m) Plan, the Compensation Committee has the discretion to reduce the bonus amounts payable to our Named Executive Officers based on factors determined to be appropriate, including the achievement of performance goals applied under our Company-wide annual cash bonus program (the “Cash Bonus Program”), as described below. The majority of our employees participate in our Cash Bonus Program.

The Compensation Committee’s practice has been to exercise negative discretion from the calculated 162(m) Plan maximum award payable to each Named Executive Officer by applying the Cash Bonus Program performance goals in making its determination of the actual award amount paid. This approach is not purely formulaic, however, as the Compensation Committee also considers the contributions of each participant to our success during the performance period and other factors it deems appropriate. The Compensation Committee cannot increase the calculated 162(m) Plan maximum award payable and can only reduce it. Annual cash incentive awards are typically paid in March of the year following the 162(m) Plan performance period.

2014 Annual Incentive Awards

For Messrs. Bisaro, Stewart, Buchen, Joyce and Olafsson (together, the “Legacy Actavis NEOs”), who were employed by and served as executive officers of the Company prior to the closing of the Forest Merger, in March 2014, the Compensation Committee determined individual incentive award levels and corporate financial and individual performance goals, which were based on performance during the full 2014 calendar year. However, in connection with the Forest Merger, the Compensation Committee determined that it was appropriate to modify the pre-established corporate performance goals for the second half of 2014 in order to tie awards for the second half of 2014 to the financial performance of our combined company.

Accordingly, for purposes of determining annual incentive awards for the Legacy Actavis NEOs, Company performance during the period from January 1, 2014 through June 30, 2014 was measured against the financial targets approved in March 2014, and Company performance during the period from July 1, 2014 through December 31, 2014 was measured based on a new six-month financial target established in connection with the Forest Merger. Final annual incentive awards were determined using the average of these two results.

Messrs. Saunders and Meury were eligible to receive annual incentive awards only with respect to individual and Company performance during the period from July 1, 2014 through December 31, 2014.

Mr. Olafsson ceased to be employed by the Company on June 30, 2014. Pursuant to the terms of the separation agreement entered into between Mr. Olafsson and Actavis, Inc., Mr. Olafsson received a pro-rated annual incentive award for 2014 assuming target performance.

2014 Performance Goals

For 2014, the performance goals under the Company-wide Cash Bonus Program, which were applied as part of the Compensation Committee exercising its negative discretion under the 162(m) Plan, consisted of a combination of corporate financial and individual performance goals.

Corporate Financial Performance. The Corporate Financial Performance metric for 2014 was Adjusted EBITDA. For the purpose of measuring Corporate Financial Performance, “Adjusted EBITDA” means our earnings before interest, taxes, depreciation and amortization, adjusted for share-based compensation, acquisition or licensing related charges, restructuring charges, litigation gains or losses, charges associated with our global supply chain initiative, non-cash charges, gains or losses on debt repurchase, gains or losses on sales of operating assets or securities and such other special items as determined at the discretion of our Board.

For 2014, the Compensation Committee believed that Adjusted EBITDA was an appropriate indicator of Corporate Financial Performance because it facilitated analysis by management and investors in evaluating the Company’s financial performance and comparing it against companies in its peer group.

(1) “Operating income” is defined as the Company’s operating income determined in accordance with GAAP plus, without duplication and only to the extent such amount represents a charge or expense determined in accordance with GAAP and reflected in the operating income of the Company and regardless of classification within the Company’s statement of income, the sum of (a) depreciation and amortization expense; (b) asset impairment charges; (c) charges associated with the revaluation of material contingent liabilities that are based in whole or in part on future estimated cash flows; (d) business restructuring charges; (e) costs and charges associated with the

acquisition of businesses and assets including, but not limited to, milestone payments and integration charges; (f) litigation charges and settlements; (g) losses and expenses associated with the sale of assets; minus (h) gains or income of a nature similar to items (a) through (g) above. With respect to each of (a) through (h), such amounts are as identified in the Company's financial statements, notes to the financial statements, or management's discussion and analysis with respect to the financial statements as filed with the U.S. Securities and Exchange Commission.

[Back to Contents](#)**2014 Adjusted EBITDA Results (\$ millions)⁽¹⁾**

Period	Threshold (\$)	Target (\$)	Stretch (\$)	Actual (\$)	Achievement (%)
Jan 1 - June 30	\$ 1,374.6	\$ 1,617.7	\$ 1,779.5	\$ 1,722.1	133%
July 1 - Dec 31	2,166.0	2,549.1	2,804.1	2,734.6	137%
				Full-Year	135%

Adjusted EBITDA, as calculated in the table above, equaled earnings before net interest expense, taxes, depreciation and amortization, adjusted for global supply chain initiative, acquisition and licensing and other charges, impairment/asset sales and related costs, non-recurring losses (gains), legal settlements, accretion on contingent liabilities and share based compensation.

Individual Performance. The Compensation Committee also recognizes that individual performance is a key element to consider in determining the overall cash incentive award available to an executive. To this end, our Chief Executive Officer reviews the performance of each of our Named Executive Officers (other than himself) on the basis of specific objectives and subjective factors and makes recommendations to the Compensation Committee on final award amounts. The Chief Executive Officer's and Executive Chairman's awards are subject to a similar adjustment based on their individual performance, respectively, which is determined by the Compensation Committee. Individual performance can adjust awards from 0% to 150% of a Named Executive Officer's award as otherwise determined based on the Corporate Financial Performance.

In 2014, the Compensation Committee approved the following strategic goals and objectives for Mr. Bisaro as the Chairman and Chief Executive Officer of the Company, and, following the Forest Merger, the Compensation Committee extended the same strategic goals and objectives to Mr. Saunders as the new Chief Executive Officer of the Company:

- i. Ensuring the successful integration of acquired businesses into our Company and the Company's continued successful capture of the value of its strategic investments, including synergies, and the continued creation of shareholder value;
- ii. Ensuring that the Company continues to invest and ultimately capture the value from such investments, including through robust R&D investments;
- iii. Effectively communicate with shareholders, particularly with respect to value in specialty pharmaceutical leadership; and
- iv. Recruit and retain key executives and develop and maintain succession plans for senior leaders.

In addition, the following goals and objectives applied to Mr. Bisaro during the portion of 2014 in which he served as the Executive Chairman of the Company:

- I. Continue to represent the Company's key stakeholders (government, customers, investors, etc.); and
- ii. Support the new Chief Executive Officer and ensure a smooth transition of responsibilities to the Chief Executive Officer.

Performance Goals of Other Named Executive Officers. In consultation with the Compensation Committee, our Chief Executive Officer and Executive Chairman assigned specific individual performance goals for 2014 to our other Named Executive Officers that were tailored to the scope and nature of their responsibilities.

Maximum performance under the Cash Bonus Program results in earning 225% of target payouts (150% adjustment for corporate Adjusted EBITDA x 150% adjustment for NEO's individual performance). Threshold payouts are based on the minimum level of performance for which payouts are authorized and results in earning 50% of the Named Executive Officer's target award.

The amount payable to each of the Legacy Actavis NEOs under the 162(m) Plan was determined as follows:

$$\begin{aligned}
 & (\text{NEO's base salary}) \times (\text{NEO's target bonus percentage}) \times \left(\begin{array}{l} \text{(Adjustment factor for (i)} \\ \text{weighted Corporate} \\ \text{Adjusted EBITDA from} \\ \text{January 1, 2014 through} \\ \text{June 30, 2014, and (ii)} \\ \text{weighted Corporate} \\ \text{Adjusted EBITDA from} \\ \text{July 1, 2014 through} \\ \text{December 31, 2014)} \end{array} \right) \times \begin{array}{l} \text{(Adjustment of 0\% to 150\% for} \\ \text{NEO's individual performance)} \end{array}
 \end{aligned}$$

Named Executive Officer 2014 Annual Incentive Awards

Name	Target		Actual			
	Annual Base Salary	Target Annual Incentive %	Target Annual Cash Incentive	Company Performance %	Individual Performance %	Final Award
Paul M. Bisaro*	\$ 1,300,000	125%	\$ 812,500	135%	150%	\$ 2,699,813
	750,000	140%	525,000			
Robert A. Stewart	715,000	100%	715,000	135%	140%	1,351,350
David A. Buchen	575,000	100%	575,000	135%	100%	776,250
R. Todd Joyce	577,179	**80%	461,743	135%	100%	