Horizon Pharma plc
Form PRER14A
March 22, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

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

Check the appropriate box:

x 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

Horizon Pharma Public Limited Company

(Name of Registrant as Specified In Its Charter)

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

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PRELIMINARY PROXY STATEMENT

DATED MARCH 22, 2016 SUBJECT TO COMPLETION

HORIZON PHARMA PUBLIC LIMITED COMPANY

ANNUAL GENERAL MEETING OF SHAREHOLDERS

May 3, 2016

NOTICE AND PROXY STATEMENT

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, 2016

Dear Fellow Shareholder:

This past year was an extremely productive and transformative year for Horizon Pharma. Operating results and clinical development exceeded our expectations driven primarily by our continued strong commercial execution as well as our dedication to unlock the full therapeutic potential of our medicines. We succeeded on many levels, including another successful year of business development. Despite headwinds that impacted the entire stock market in the second half of 2015, we again outperformed our peer group and the NASDAQ Biotechnology Index (NBI) over the last one (HZNP +68%, Peers +11% and NBI +11%) and three years (HZNP +830%, Peers +233% and NBI +147%).

In a record year, our full-year 2015 net sales of $757 million more than doubled from the prior year and our Adjusted EBITDA[1] of $362 million[2] more than quadrupled from 2014. We also generated robust operating cash flows for the year. In addition to our strong financial performance, we are pleased to provide the following updates on progress made in 2015:

- Completed the acquisition of Hyperion Therapeutics, Inc. and announced the acquisition of Crealta Holdings LLC.
  - Both acquisitions increased Horizon s sales from orphan disease medicines and together are expected to generate approximately $150 million in Adjusted EBITDA in 2016.[3]
- We achieved significant clinical development and regulatory milestones:
  - We initiated a Phase 3 trial for ACTIMMUNE in Friedreich s ataxia.
  - We initiated a Phase 1 dosing trial for ACTIMMUNE in cancer.
  - Earlier than expected, we received European marketing approval for RAVICTI for the treatment of urea cycle disorders in patients two months of age and older.
- We significantly diversified our portfolio of medicines, so that no single medicine represented more than 25 percent of our business in the fourth quarter of 2015, versus 55 percent for the full year 2014.
- We secured 13 additional U.S. patents covering various medicines, including PENNSAID 2%, RAVICTI, RAYOS and VIMOVO.
- We raised $1.75 billion of capital through four successful debt and equity offerings, resulting in a diversified capital structure consisting of senior secured term loans, senior unsecured notes and exchangeable notes, while significantly lowering the annual cash interest rate on our debt from 7.7 percent to 4.7 percent.

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Adjusted earnings before interest, taxes, depreciation and amortization and other amounts (Adjusted EBITDA) is used and provided by us as a non-GAAP financial measure so our investors have a more complete understanding of Horizon s financial performance. In addition, this non-GAAP financial measure is among the indicators our management uses for planning and forecasting purposes and measuring the Company s performance.

[2] Please refer to the discussion of non-GAAP financial measures and the reconciliation of Adjusted EBITDA to net income beginning on page 99 of our Annual Report on Form 10-K for the year ended December 31, 2015.

[3] Please refer to the discussion of non-GAAP financial measures beginning on page 99 of our Annual Report on Form 10-K for the year ended December 31, 2015. We have not provided a reconciliation of the 2016 Adjusted EBITDA outlook for recently-acquired medicines to an expected net income (loss) outlook because certain items that are a component of net income (loss) cannot be reasonably projected, due to the significant impact of changes in our stock price on share-based compensation, the variability associated with acquisition-related expenses due to timing and other factors.

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We significantly increased the breadth and depth of our management team with the addition of George P. Hampton, John B. Thomas and Geoffrey M. Curtis in senior management. In addition, we filled multiple vice president level positions. In total, we added approximately 300 employees to the Company.

Overall, I am very pleased with our team s performance, in every aspect of our business. We are delivering on our core principles, including strong commercial execution, an aggressive and disciplined acquisition strategy, the clinical development of medicines for patients in need, and expanding patient access while increasing affordability of our medicines. Moving forward, we will continue to drive and motivate our growing organization with the goal of delivering continued strong financial performance that creates market-leading shareholder value.

We cannot control the ups and downs in the market. However, we will stay focused on what we can control the performance of our business.

You are cordially invited to attend the Annual General Meeting of Shareholders on Tuesday, May 3, 2016. The Annual General Meeting will begin at 3:00 p.m. local time at our corporate headquarters, located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland.

The Notice of Annual General Meeting and Proxy Statement accompanying this letter describes how our Board of Directors operates, provides biographical information on our director nominees, gives information for the voting matters to be acted upon at the Annual General Meeting and explains the proxy voting process.

Whether or not you plan to attend the Annual General Meeting, it is important that your shares be represented and voted. Please take a moment now to vote your shares by internet, by toll-free telephone call or by signing and dating the enclosed proxy card and returning it in the pre-addressed, postage-paid envelope provided.

Thank you for your continued support.

Sincerely,

Timothy P. Walbert

Chairman, President and Chief Executive Officer

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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 3, 2016

Dear Shareholder:

We will be holding the Annual General Meeting of Shareholders of Horizon Pharma plc on Tuesday, May 3, 2016 at 3:00 p.m. local time at our corporate headquarters, located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland. You are being asked to vote on the following matters (the Proposals):

1. To elect by separate resolutions the three nominees for Class II directors named herein to hold office until the 2019 Annual General Meeting of Shareholders.

2. To approve an amendment to our Memorandum of Association.

3. To approve an amendment to our Articles of Association.

4. To authorize us and/or any of our subsidiaries to make market purchases or overseas market purchases of our ordinary shares.

5. To approve our Amended and Restated 2014 Equity Incentive Plan.

6. To approve the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2016 and to authorize the Audit Committee of our Board of Directors to determine the auditors remuneration.

7. To approve, on an advisory basis, the compensation of our named executive officers, as disclosed in this Proxy Statement.

8. To conduct any other business properly brought before the meeting.

Our Irish statutory financial statements for the fiscal year ended December 31, 2015, including the reports of the directors and statutory auditors thereon, will be presented at the Annual General Meeting. There is no requirement under Irish law that such statements be approved by the shareholders, and no such approval will be sought at the Annual General Meeting.

For the purposes of our Articles of Association, Proposals 1 and 6 and the receipt and consideration of the Irish statutory financial statements by us at the Annual General Meeting are deemed to be ordinary business, and Proposals 2, 3, 4, 5 and 7 are deemed to be special business.

Only shareholders of record at the close of business on March 3, 2016, the record date for the Annual General Meeting, are entitled to notice of the Annual General Meeting and to vote at the Annual General Meeting or any adjournment or postponement thereof. On or about , 2016, we will mail to our shareholders proxy materials. We ask that you review the Proxy Statement carefully and complete, sign, date and return the enclosed proxy card in the envelope provided or vote over the internet or by telephone as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) has been provided for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting of Shareholders to Be Held on Tuesday, May 3, 2016 at 3:00 p.m. Local Time at Our Corporate Headquarters, Located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland.

The Proxy Statement and Annual Report to shareholders are available at *www.edocumentview.com/hznp.*

By Order of the Board of Directors

David G. Kelly

Company Secretary

Connaught House, 1st Floor

1 Burlington Road

Dublin 4, D04 C5Y6, Ireland

, 2016

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HORIZON PHARMA PUBLIC LIMITED COMPANY

ANNUAL GENERAL MEETING OF SHAREHOLDERS

May 3, 2016

PROXY STATEMENT

INTRODUCTION

Your proxy is solicited by the Board of Directors (the Board or Board of Directors) of Horizon Pharma plc, a public limited company formed under the laws of Ireland, for the Annual General Meeting of Shareholders (the Annual General Meeting) to be held at 3:00 p.m. local time on Tuesday, May 3, 2016, at the Company s corporate headquarters, located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland, for the purposes set forth in the Notice of Annual General Meeting of Shareholders, and at any adjournment or postponement thereof. The mailing address of the principal executive office of the Company is Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland. The Company expects that this Proxy Statement, the related proxy and Notice of Annual General Meeting of Shareholders will first be mailed to shareholders on or about , 2016.

Horizon Pharma plc Corporate Structure

On September 19, 2014, the businesses of Horizon Pharma Inc. (HPI) and Vidara Therapeutics International Public Limited Company (Vidara) were combined in a merger transaction (the Vidara Merger), accounted for as a reverse acquisition under the acquisition method of accounting for business combinations, with HPI treated as the acquiring company in the Vidara Merger for accounting purposes. As part of the Vidara Merger, a wholly-owned subsidiary of Vidara merged with and into HPI, with HPI surviving the Vidara Merger as a wholly-owned subsidiary of Vidara and Vidara changed its name to Horizon Pharma plc.

Unless otherwise indicated or the context otherwise requires, references to the Company , Horizon , we , us and our refer to Horizon Pharma p and its consolidated subsidiaries, including its predecessor, HPI. All references to Vidara are references to Horizon Pharma plc (formerly known as Vidara Therapeutics International Public Limited Company) and its consolidated subsidiaries prior to the effective time of the Vidara Merger on September 19, 2014. The disclosures in this Proxy Statement relating to the pre-Vidara Merger business of Horizon Pharma plc, as well as statements relating to pre-Vidara Merger compensation, board of director and corporate governance matters, unless noted as being the business of Vidara prior to the Vidara Merger, pertain to the business of HPI prior to the Vidara Merger. In addition, references in this Proxy Statement to shares, stock or voting stock refer to HPI s common stock, par value $0.0001 per share, prior to the effective time of the Vidara Merger and to our ordinary shares, nominal value $0.0001 per share, from and since the effective time of the Vidara Merger.

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

We have sent you these proxy materials because our Board of Directors is soliciting your proxy to vote at the Annual General Meeting, including at any adjournments or postponements of the meeting. You are invited to attend the Annual General Meeting to vote on the proposals described in this Proxy Statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy over the telephone or through the internet.

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How do I attend the Annual General Meeting?

The meeting will be held on Tuesday, May 3, 2016, at 3:00 p.m. local time at our corporate headquarters, located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland. Directions to the Annual General Meeting may be found at *https://www.google.com/maps/place/Connaught+House,+Burlington+Rd,+Dublin+4,+Ireland*. Information on how to vote in person at the Annual General Meeting is provided below. However, you do not need to attend the Annual General Meeting to vote your ordinary shares.

Who can vote at the Annual General Meeting?

Only shareholders of record at the close of business on March 3, 2016 will be entitled to vote at the Annual General Meeting. On this record date, there were 159,920,620 of our ordinary shares outstanding and entitled to vote.

Shareholder of Record: Shares Registered in Your Name

If on March 3, 2016, your shares were registered in your name in our Register of Members which is maintained by Horizon s transfer agent, Computershare Shareowner Services LLC, then you are a shareholder of record. As a shareholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the internet as instructed below to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on March 3, 2016, your shares were not registered in your name in our Register of Members, but rather held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the Annual General Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual General Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are seven matters scheduled for a vote:

- Election of three Class II directors named in this Proxy Statement to hold office until the 2019 Annual General Meeting of Shareholders (Proposal 1);
- Approval of an amendment to our Memorandum of Association (Proposal 2);
- Approval of an amendment to our Articles of Association (Proposal 3);
- Authorization for us and/or any of our subsidiaries to make market purchases or overseas market purchases of our ordinary shares (Proposal 4);
- Approval of our Amended and Restated 2014 Equity Incentive Plan, which is referred to in this Proxy Statement as the Amended 2014 Plan (Proposal 5);

Approval of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2016 and the authorization of the Audit Committee of our Board of Directors to determine the auditors remuneration (Proposal 6); and

Advisory approval of the compensation of our named executive officers, as disclosed in this Proxy Statement (Proposal 7).

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What if another matter is properly brought before the meeting?

The Board of Directors knows of no other matters that will be presented for consideration at the Annual General Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on those matters in accordance with their best judgment.

How do I vote?

You may vote For or Against each Class II director nominee or you may abstain from voting for all or any of the nominees. For each of the other matters to be voted on, you may vote For or Against or abstain from voting.

The procedures for voting are fairly simple:

Shareholder of Record: Shares Registered in Your Name

If you are a shareholder of record, you may vote in person at the Annual General Meeting, vote by proxy using the enclosed proxy card, vote by proxy over the telephone, or vote by proxy through the internet. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

- To vote in person, come to the Annual General Meeting and we will give you a ballot when you arrive.

- To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual General Meeting, we will vote your shares as you direct.

- To vote over the telephone, dial toll-free 1-800-652-VOTE (8683) within the United States, U.S. territories and Canada using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 p.m., Eastern Time on May 2, 2016, to be counted.

- To vote through the internet, go to *http://www.envisionreports.com/hznp* to complete an electronic proxy card. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 p.m. Eastern Time on May 2, 2016, to be counted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a voting instruction form with these proxy materials from that organization rather than from us. Simply complete and mail the voting instruction form to ensure that your vote is counted. Alternatively, you may vote by telephone or through the internet as instructed by your broker or bank. To vote in person at the Annual General Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

Joint Holders

In the case of joint holders of record, any one of such holders may vote either in person or by proxy in respect thereof as if he or she were the sole holder thereof, but the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Company s Register of Members.

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Internet proxy voting is being provided to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.

How many votes do I have?

On each matter to be voted upon, you have one vote for each ordinary share you own as of March 3, 2016.

What happens if I do not vote?

Shareholder of Record: Shares Registered in Your Name

If you are a shareholder of record and do not vote by completing your proxy card, by telephone, through the internet or in person at the Annual General Meeting, your shares will not be voted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner and do not instruct your broker, bank, or other agent how to vote your shares, the question of whether your broker or nominee will still be able to vote your shares depends on whether the New York Stock Exchange (NYSE) deems the particular proposal to be a routine matter. Brokers and nominees can use their discretion to vote uninstructed shares with respect to matters that are considered to be routine, but not with respect to non-routine matters. Under the rules and interpretations of the NYSE, non-routine matters are matters that may substantially affect the rights or privileges of shareholders, such as mergers, shareholder proposals, elections of directors (even if not contested), executive compensation (including any advisory shareholder votes on executive compensation) and certain corporate governance proposals, even if management-supported. Accordingly, your broker or nominee may not vote your shares on Proposals 1, 2, 3, 4, 5 or 7 without your instructions, but may vote your shares on Proposal 6.

What if I return a proxy card or otherwise vote but do not make specific choices?

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable, For Proposal 1, the election of all nominees named in this Proxy Statement for Class II directors, For Proposal 2, the approval of an amendment to our Memorandum of Association, For Proposal 3, the approval of an amendment to our Articles of Association, For Proposal 4, the authorization for us and/or any of our subsidiaries to make market purchases or overseas market purchases of our ordinary shares, For Proposal 5, the approval of our Amended and Restated 2014 Equity Incentive Plan, For Proposal 6, the approval of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2016 and the authorization of the Audit Committee of our Board of Directors to determine the auditors remuneration, and For Proposal 7, the advisory approval of executive compensation. If any other matter is properly presented at the meeting, your proxy holder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We have retained MacKenzie Partners, Inc. (MacKenzie), a proxy solicitation firm, to solicit proxies in connection with the Annual General Meeting at a cost of approximately $20,000 plus expenses. The cost of soliciting proxies incurred by the Company and MacKenzie, including the preparation, assembly and mailing of the proxies and soliciting material, as well as the cost of forwarding such material to beneficial owners of the Company s ordinary shares, will be borne by the Company. Directors, officers and regular employees of the Company may, without compensation other than their regular remuneration, solicit proxies personally or by telephone.

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What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on the proxy cards in each set of proxy materials to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Shareholder of Record: Shares Registered in Your Name

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

You may submit another properly completed proxy card with a later date.

You may grant a subsequent proxy by telephone or through the internet.

You may send a timely written notice that you are revoking your proxy to Horizon s Company Secretary at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland.

You may attend the Annual General Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy. Your most current proxy card or telephone or internet proxy is the one that is counted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

Do I need a ticket to attend the Annual General Meeting?

You will need an admission ticket or proof of ownership of ordinary shares to enter the Annual General Meeting. If you are a shareholder of record, your admission ticket is the top half of the proxy card sent to you. If you plan to attend the Annual General Meeting, please so indicate when you vote and bring the ticket with you to the Annual General Meeting. If your shares are held in the name of a bank, broker or other holder of record, you do not need an admission ticket, but you will need proof of ownership to be admitted to the Annual General Meeting. A recent brokerage statement or letter from a bank or broker is an example of proof of ownership. If you arrive at the Annual General Meeting without an admission ticket or proof of ownership of ordinary shares, we will admit you only if we are able to verify that you are a shareholder of our company.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count, for each of the proposals, votes For and Against, abstentions and, as applicable, broker non-votes. Abstentions and broker non-votes will be treated as shares present for the purpose of determining the presence of a quorum for the transaction of business at the Annual General Meeting. Abstentions and broker non-votes will not, however, be considered votes cast at the Annual General Meeting. Because the approval of all of the proposals is based on the votes cast at the Annual General Meeting, abstentions and broker non-votes will not have any effect on the outcome of voting on the proposals.

What are broker non-votes ?

As discussed above, when a beneficial owner of shares held in street name does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed by the NYSE to be non-routine, the broker or nominee cannot vote the shares. These un-voted shares are counted as broker non-votes.

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How many votes are needed to approve each proposal?

Assuming that a quorum is present at the Annual General Meeting, the following votes will be required for approval:

Proposal 1: For the election of Class II directors, each nominee named herein for election to the Board of Directors who receives the affirmative vote of a majority of the votes cast in person or by proxy at the Annual General Meeting on his election will be elected to the Board of Directors.

Proposal 2: The approval of an amendment to our Memorandum of Association will be approved if it receives the affirmative vote of 75% or more of the votes cast in person or by proxy at the Annual General Meeting.

Proposal 3: The approval of an amendment to our Articles of Association will be approved if it receives the affirmative vote of 75% or more of the votes cast in person or by proxy at the Annual General Meeting.

Proposal 4: The authorization for us and/or any of our subsidiaries to make market purchases or overseas market purchases of our ordinary shares will be approved if it receives the affirmative vote of a majority of the votes cast in person or by proxy at the Annual General Meeting.

Proposal 5: The approval of our Amended 2014 Plan will be approved if it receives the affirmative vote of a majority of the votes cast in person or by proxy at the Annual General Meeting.

Proposal 6: The approval of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016 and the authorization of the Audit Committee of our Board of Directors to determine the auditors remuneration, will be approved if it receives the affirmative vote of a majority of the votes cast in person or by proxy at the Annual General Meeting.

Proposal 7: The advisory approval of the compensation of our named executive officers will be considered to be approved if it receives the affirmative vote of a majority of the votes cast in person or by proxy at the Annual General Meeting.

What is the quorum requirement?

A quorum of shareholders is necessary to hold a valid meeting. A quorum will be present if shareholders holding a majority of the issued and outstanding ordinary shares entitled to vote are present at the meeting in person or represented by proxy. On the record date, there were 159,920,620 ordinary shares outstanding and entitled to vote. Thus, the holders of 79,960,311 ordinary shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or, provided that you are a shareholder of record, if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, within one hour of the time appointed for the Annual General Meeting, the Annual General Meeting will stand adjourned to May 10, 2016 at 3:00 p.m. local time at the same location, or such other time or place as the Board of Directors may determine.

How can I find out the results of the voting at the Annual General Meeting?

Preliminary voting results will be announced at the Annual General Meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the Annual General Meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

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What are the Irish statutory financial statements?

We are presenting our Irish statutory financial statements, including the reports of the directors and the statutory auditors thereon, at the Annual General Meeting, and we are making a copy of them available for download in PDF format in the Investors section (see Annual Reports subsection) of our website (*www.horizonpharma.com*) on or before April 12, 2016. Since we are an Irish company, we are required to prepare Irish statutory financial statements under applicable Irish company law and to deliver those accounts to shareholders of record in connection with our Annual General Meetings of Shareholders. The Irish statutory financial statements cover the results of operations and financial position of Horizon Pharma plc for the year ended December 31, 2015. Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the state of the group s and parent company s affairs at the end of the financial year and of the group s profit or loss for the financial year. Under that law, the directors have prepared the group s consolidated financial statements in accordance with U.S. generally accepted accounting principles, as defined in Section 279 of the Irish Companies Act 2014, to the extent that the use of those principles in the preparation of the consolidated financial statements does not contravene any provision of the Irish Companies Act or of any regulations made thereunder and the parent company financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

We will mail without charge, upon written request, a copy of the Irish statutory financial statements to shareholders of record or beneficial owners of our ordinary shares. Requests should be sent to: Horizon Pharma plc, Attention: Company Secretary, Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland.

What proxy materials are available on the internet?

The Proxy Statement and the Annual Report to shareholders are available at *www.edocumentview.com/hznp*.

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PROPOSAL 1

ELECTION OF DIRECTORS

Board Composition

The Board of Directors is divided into three classes. Each class consists, as nearly as possible, of one-third of the total number of directors, and each class has a three-year term. The Board of Directors currently consists of eight members, as follows:

- Class I, which consists of William F. Daniel and H. Thomas Watkins, and whose term will expire at our 2018 Annual General Meeting of Shareholders;

- Class II, which consists of Michael Grey, Jeff Himawan, Ph.D. and Ronald Pauli, and whose term will expire at the Annual General Meeting; and

- Class III, which consists of Virinder Nohria, M.D., Ph.D., Gino Santini and Timothy P. Walbert, and whose term will expire at our 2017 Annual General Meeting of Shareholders.

At each Annual General Meeting of Shareholders, the successors to directors whose terms then expire will serve until the third Annual General Meeting of Shareholders following their election and until their successors are duly elected and qualified. The authorized number of directors may be changed only by resolution of the Board of Directors. Any additional directorships resulting from an increase in the number of directors will be distributed between the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board of Directors may have the effect of delaying or preventing changes in our control or management. Our directors may be removed by ordinary resolution with majority vote of the Company s shareholders at a general meeting provided that extended notice of such resolution has been given in accordance with Section 146 of the Irish Companies Act 2014.

Vacancies on the Board of Directors may be filled only by persons elected by a majority of the directors then in office, provided that a quorum is present. A director elected by the Board of Directors to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director s successor is duly elected and qualified.

Election of Directors

There are three directors in the class whose term of office expires on the date of the Annual General Meeting. Each of the nominees listed below is currently a director of the Company who was nominated for election by the Board of Directors, upon the recommendation of the Nominating and Corporate Governance Committee. If elected at the Annual General Meeting, each of these nominees would serve until the 2019 Annual General Meeting of Shareholders and until his successor has been duly elected and qualified, or, if sooner, until the director s death, resignation, disqualification or removal. It is the Company s policy to encourage directors and nominees for director to attend annual general meetings of shareholders. All, except for one, of the Company s current directors attended its 2015 Annual General Meeting of Shareholders.

In order to be elected as a director, each nominee must receive the affirmative vote of a majority of the votes cast by the holders of ordinary shares represented at the Annual General Meeting in person or by proxy. Only three nominees are proposed for election as Class II directors. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead will be voted for the election of a substitute nominee proposed by the Company. Each person nominated for election has agreed to serve if elected. The Company s management has no reason to believe that any nominee will be unable to serve.

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The following is a brief biography of each nominee and each director whose term will continue after the Annual General Meeting, including their respective ages as of March 31, 2016.

Nominees for Election for a Three-Year Term Expiring at the 2019 Annual General Meeting of Shareholders

Michael Grey, age 63

Lead Independent Director since 2012, Director since 2011

Committee Member: Compensation and Transaction

Mr. Grey has served on the Board of Directors since September 2011 and as lead independent director since August 2012. Mr. Grey has served as president and chief executive officer of Amplyx Pharmaceuticals, Inc., a biotechnology company, since October 2015, chairman and chief executive officer of Reneo Pharmaceuticals, Inc., a biotechnology company, since September 2014 and as a venture partner at Pappas Ventures since January 2010. From February 2011 to June 2014, Mr. Grey served as president and chief executive officer of Lumena Pharmaceuticals, Inc., a biotechnology company, which was acquired by Shire plc in June 2014. Mr. Grey has over 30 years of experience in the pharmaceutical and biotechnology industries, and has held senior positions at a number of companies, including president and chief executive officer of SGX Pharmaceuticals, Inc. (sold to Eli Lilly and Company in 2008), president and chief executive officer of Trega Biosciences, Inc. (sold to LION Bioscience, Inc. in 2001) and president of BioChem Therapeutic Inc. Mr. Grey also serves on the board of directors of BioMarin Pharmaceutical Inc. and Mirati Therapeutics, Inc., each a public biopharmaceutical company, and on the board of directors of Amplyx Pharmaceuticals, Inc., Balance Therapeutics, Inc., Biothera Pharmaceuticals, Inc., Selventa, Inc. and Ziarco Group Ltd. Mr. Grey received a B.S. in chemistry from the University of Nottingham in the United Kingdom.

The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Grey is qualified to serve as a director of the Company on the basis of his extensive experience managing pharmaceutical and biopharmaceutical companies, which brings important strategic insight to the Board of Directors as it plans the Company s future growth.

Jeff Himawan, Ph.D., age 50

Director since 2007

Committee Member: Audit, Compensation (Chair)

Dr. Himawan has served on the Board of Directors since July 2007. In 1999, Dr. Himawan joined Essex Woodlands Health Ventures, L.P., a venture capital firm, where he now serves as a managing director. Dr. Himawan also currently serves on the boards of directors of Catalyst Biosciences, Inc., a public biopharmaceutical company, MediciNova, Inc., a public biopharmaceutical company, and Light Sciences Oncology, Inc. Dr. Himawan co-founded Seed-One Ventures, a venture capital firm, where from 1996 to 2001 he served as a managing director. Dr. Himawan received his B.S. in biology from the Massachusetts Institute of Technology and his doctorate in biological chemistry and molecular pharmacology from Harvard University.

The Nominating and Corporate Governance Committee and the Board of Directors believe that, with his doctorate in biological chemistry and molecular pharmacology and as a successful venture capitalist, Dr. Himawan brings important strategic insight to the Board of Directors, as well as experience working with the investment community.

Ronald Pauli, age 55

Director since 2011

Committee Member: Audit (Chair), Compensation

Mr. Pauli has served on the Board of Directors since September 2011. Mr. Pauli has served as chief financial officer of BioQ Pharma, Inc., a private specialty pharmaceutical company, since August 2014. Prior to

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that, Mr. Pauli held senior positions at a number of biopharmaceutical companies, including chief financial officer at Sagent Pharmaceuticals, Inc. from April 2007 to August 2012, chief financial officer at NeoPharm, Inc. from 2006 to 2007 and corporate controller and interim chief financial officer at Abraxis BioScience, Inc. (formerly American Pharmaceutical Partners, Inc.) from 2002 to 2006. In addition, Mr. Pauli previously served as corporate controller for Applied Power, Inc. and R.P. Scherer Corporation, held multiple finance positions at Kmart Corporation and began his career with Ernst & Whinney. Mr. Pauli received a B.S. in accounting from Michigan State University and a master s degree in finance from Walsh College.

The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Pauli is qualified to serve as a director of the Company on the basis of his financial experience at numerous biotechnology and pharmaceutical companies, which adds valuable expertise in guiding the strategic direction of the Company and working with the investment community.

THE BOARD OF DIRECTORS RECOMMENDS

A VOTE IN FAVOR OF EACH NAMED NOMINEE

Class III Directors Continuing in Office Until the 2017 Annual General Meeting of Shareholders

Virinder Nohria, M.D., Ph.D., age 61

Director since 2014

Committee Member: None

Dr. Nohria has served on the Board of Directors since September 2014. Dr. Nohria also serves on the board of directors of Promentis Pharmaceuticals Inc. and Sebela Pharmaceuticals, Inc. Dr. Nohria co-founded Vidara Therapeutics, Inc. in 2011 and served as its President and Chief Medical Officer from April 2011 to September 2014. Previously, Dr. Nohria was part of the founding team of Alaven Pharmaceutical LLC, a biopharmaceutical company, and served as its Chief Medical Officer, Chief Compliance Officer and Executive Vice President from 2008 until its sale to Meda AB in October 2010. Between 2003 and 2005, Dr. Nohria was Vice President and Chief Medical Officer of Xcel Pharmaceuticals Inc. Prior to that, Dr. Nohria served as Clinical Research Physician for Eli Lilly and Company. Dr. Nohria is a board-certified neurologist with special qualification in child neurology. Dr. Nohria received his medical training at the University of Cambridge in England and his postgraduate training at Great Ormond Street Children s Hospital in London and at Duke University. He also holds a Ph.D. in neuropharmacology from University of Bradford in England.

The Nominating and Corporate Governance Committee and the Board of Directors believe that Dr. Nohria is qualified to serve as a director of the Company on the basis of his valuable industry experience, which brings important strategic insight to the Board of Directors as it plans the Company s future growth.

Gino Santini, age 59

Director since 2012

Committee Member: Nominating and Corporate Governance, Transaction (Chair)

Mr. Santini has served on the Board of Directors since March 2012. Mr. Santini currently serves as the chairman of the board of directors of AMAG Pharmaceuticals, Inc., a public biopharmaceutical company, and serves on the board of directors of Intercept Pharmaceuticals, Inc., a public biopharmaceutical company, Vitae Pharmaceuticals, Inc., a public biotechnology company, Allena Pharmaceuticals, Inc., Artax Biopharma Inc., Collegium Pharmaceutical, Inc. and Intarcia Therapeutics, and is retired from a distinguished career with Eli Lilly and Company, a pharmaceutical company. Mr. Santini previously served on the board of directors of Sorin SpA, a public medical products group, from 2012 to 2015, when it was acquired by LivaNova PLC. During his tenure at Eli Lilly and Company from June 1983 to December 2010, Mr. Santini held various leadership positions of increasing responsibility, including manager of various international regions, president of the women s health

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franchise and president of U.S. operations. Mr. Santini capped his career at Eli Lilly and Company as a member of the company s executive committee and as the senior vice president of corporate strategy and business development. Mr. Santini, fluent in four languages, holds an undergraduate degree in mechanical engineering from the University of Bologna and a master s in business administration from the University of Rochester.

The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Santini s extensive international and domestic commercial and business development experience brings important insight to the Board of Directors as it plans the Company s future growth.

Timothy P. Walbert, age 49

Chairman of the Board of Directors since 2010, Director since 2008

Committee Member: None

Mr. Walbert has served as our president and chief executive officer since June 2008 and has served as chairman of our board since March 2010. From May 2007 to June 2009, Mr. Walbert served as president, chief executive officer and director of IDM Pharma, Inc., a public biopharmaceutical company which was acquired by Takeda America Holdings, Inc. in June 2009. Prior to that, Mr. Walbert served as executive vice president, commercial operations of NeoPharm, Inc., a public biopharmaceutical company. From June 2001 to August 2005, Mr. Walbert served as divisional vice president and general manager, Immunology, where he led the global development and launch of the multi-indication biologic HUMIRA and divisional vice president, global cardiovascular strategy at Abbott, now AbbVie. Mr. Walbert received his B.A. in business from Muhlenberg College, in Allentown, Pennsylvania. Mr. Walbert also serves as chairman of the board of Egalet Corporation, a public pharmaceutical company, and sits on the boards of directors of XOMA Corp., a public biotechnology company, Sucampo Pharmaceuticals, Inc., a public biopharmaceutical company, the Pharmaceutical Research and Manufacturers of America (PhRMA), the Biotechnology Industry Organization (BIO), the Illinois Biotechnology Industry Organization (iBIO), World Business Chicago (WBC), the Greater Chicago Arthritis Foundation and the Illinois Innovation Council. Mr. Walbert previously served on the board of directors of Raptor Pharmaceuticals Corp., a public biopharmaceutical company, from 2010 to 2014.

The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Walbert is qualified to serve as a director of the Company on the basis of his valuable industry experience, which brings important strategic insight to the Board of Directors as it plans the Company s future growth.

Class I Directors Continuing in Office Until the 2018 Annual General Meeting of Shareholders

William F. Daniel, age 64

Director since 2014

Committee Member: Audit, Nominating and Corporate Governance

Mr. Daniel has served on the Board of Directors since September 2014. Mr. Daniel, a Chartered Director and Chartered Accountant, was elected to the position of President of the Institute of Directors of Ireland in May 2013 and served in that role until May 2015, and was originally elected to the board of the Institute of Directors in Ireland in June 2010. In February 2015, Mr. Daniel was appointed to the board of directors of Malin Corporation plc, a newly established Irish-based global life sciences company. Most recently, he was Executive Vice President and Company Secretary of Elan Corporation plc, a biotechnology company, and served in that role from December 2001 until the merger of Elan with Perrigo Company plc in December 2013. He was previously an Executive Director of Elan between 2003 and 2007, having joined the organization as Financial Controller in 1994. Mr. Daniel was previously Financial Director of Xtravision plc from 1990 to 1992 and prior to that, he held the position of Head of Finance of An Post for a period of three years. He is also a former President of the Financial Executives Association of Ireland. Mr. Daniel graduated with a degree in Commerce from the University College Dublin.

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The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Daniel is qualified to serve as a director of the Company on the basis of his valuable financial and corporate governance expertise, which brings important strategic insight to the Board of Directors as it plans the Company s future growth.

H. Thomas Watkins, age 63

Director since 2014

Committee Member: Nominating and Corporate Governance (Chair), Transaction

Mr. Watkins has served on the Board of Directors since April 2014. Mr. Watkins, in his most recent role, was director, president and chief executive officer of Human Genome Sciences (HGS), a biopharmaceutical company, from 2004 until HGS was acquired by GlaxoSmithKline in 2012. Before leading HGS, Mr. Watkins spent over twenty years in senior roles at Abbott Laboratories and its affiliates in the United States and Asia, most recently serving as the president of TAP Pharmaceutical Products, Inc. (TAP), which was jointly owned by Abbott and Takeda Pharmaceutical Company, Inc. During his tenure, he led the growth of TAP from approximately $2 billion to over $4 billion in annual revenue. Mr. Watkins began his career in 1974 with Arthur Andersen & Co. From 1979 to 1985, he was a management consultant with McKinsey and Company, Inc., working with multinational companies in the United States, Europe and Japan. Mr. Watkins holds a bachelor s degree from the College of William and Mary, and a master s degree in business administration from the University of Chicago Graduate School of Business. Mr. Watkins is the chairman of the board of directors of Vanda Pharmaceuticals, Inc., a public biopharmaceutical company. He is also a member of the board of directors of the Biotechnology Industry Organization (BIO) and a member of the board of visitors of The College of William and Mary.

The Nominating and Corporate Governance Committee and the Board of Directors believe that Mr. Watkins is qualified to serve as a director of the Company on the basis of his valuable industry experience, which brings important strategic insight to the Board of Directors as it plans the Company s future growth.

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INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Independence of the Board of Directors

As required under the NASDAQ Stock Market (NASDAQ) listing standards, a majority of the members of a listed company s board of directors must qualify as independent, as affirmatively determined by the board of directors. The Board consults with the Company s counsel to ensure that the Board s determinations are consistent with relevant securities and other laws and regulations regarding the definition of independent, including those set forth in pertinent listing standards of NASDAQ, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent registered public accounting firm, the Board has affirmatively determined that the following six directors are independent directors within the meaning of the applicable NASDAQ listing standards: Mr. Daniel, Mr. Grey, Dr. Himawan, Mr. Pauli, Mr. Santini and Mr. Watkins. In making this determination, the Board found that none of these directors or nominees for director had a material or other disqualifying relationship with the Company.

Mr. Walbert, the Company s President and Chief Executive Officer, and Dr. Nohria, a prior employee of Vidara, are not independent directors by virtue of their current and prior employment with the Company, respectively.

Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics (the Code) that applies to all officers, directors and employees. The Code is available on the Company s website at *www.horizonpharma.com*. If the Company makes any substantive amendments to the Code or grants any waiver from a provision of the Code to any executive officer or director, the Company will promptly disclose the nature of the amendment or waiver on its website.

Board Leadership Structure

The Company s Board of Directors is currently chaired by the President and Chief Executive Officer of the Company, Mr. Walbert. The Company believes that combining the positions of Chief Executive Officer and Chairman of the Board helps to ensure that the Board and management act with a common purpose. In the Company s view, separating the positions of Chief Executive Officer and Chairman of the Board has the potential to give rise to divided leadership, which could interfere with good decision-making or weaken the Company s ability to develop and implement strategy. Instead, the Company believes that combining the positions of Chief Executive Officer and Chairman of the Board provides a single, clear chain of command to execute the Company s strategic initiatives and business plans. In addition, the Company believes that a combined Chief Executive Officer/Chairman of the Board is better positioned to act as a bridge between management and the Board, facilitating the regular flow of information. The Company also believes that it is advantageous to have a Chairman of the Board with an extensive history with and knowledge of the Company (as is the case with the Company s Chief Executive Officer) as compared to a relatively less informed independent Chairman of the Board.

The Company requires the election, by the independent directors of the Board, of an independent lead director to serve during any period when there is no independent Chairman of the Board. Because Mr. Walbert is currently serving as Chief Executive Officer and Chairman of the Board, the independent directors of the Board named Mr. Grey as the lead independent director. The lead independent director periodically establishes the agenda for meetings of the independent directors, coordinates with the committee chairs to report committee matters to the full Board, presides over executive sessions and other meetings of the independent directors,

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conveys messages from meetings of the independent directors to the Chief Executive Officer and makes himself available to discuss with other directors any concerns they may have about the Company and its performance. The Company believes that this leadership structure provides the appropriate level of independent oversight necessary to ensure that the Board meets its fiduciary obligations to the Company s shareholders, that the interests of management and our shareholders are properly aligned, and that we establish and follow sound business practices and strategies that are in the best interests of our shareholders.

Shareholder Communications With the Board of Directors

While we have not adopted a formal process by which shareholders may communicate with the Board or any of its directors, shareholders who wish to communicate with the Board may do so by sending written communications addressed to the Company Secretary of Horizon at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland or communicate online to the Board of Directors as a group. This information is available on the Company s website at *www.horizonpharma.com.*

Each communication will be reviewed by Horizon s Company Secretary to determine whether it is appropriate for presentation to the Board or such director. Examples of inappropriate communications include advertisements, solicitations or hostile communications. Communications determined by the Company Secretary to be appropriate for presentation to the Board or such director will be submitted to the Board or such director on a periodic basis.

All communications directed to the Audit Committee in accordance with the Company s Whistleblower Hotline that relate to questionable accounting or auditing matters involving the Company will be promptly and directly forwarded to the Audit Committee.

Role of the Board in Risk Oversight

One of the Board s key functions is informed oversight of the Company s risk management process. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various Board standing committees that address risks inherent in their respective areas of oversight. In particular, the Board is responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for the Company. Our Audit Committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal, regulatory and ethical requirements, in addition to oversight of the performance of our external auditors. Our Nominating and Corporate Governance Committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our Compensation Committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. Our Transaction Committee evaluates potential strategic transactions and financing opportunities, including the risks that such transactions could pose to the Company.

Meetings of the Board of Directors

The Board of Directors held five meetings and did not act by unanimous written consent without a meeting during 2015. Each Board member attended 75% or more of the aggregate number of meetings of the Board and of the committees on which he served, held during the portion of the last fiscal year for which he was a director or committee member.

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Information Regarding Committees of the Board of Directors

The Board has four standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and a Transaction Committee. The following table provides membership and meeting information for fiscal 2015 for each of the Board committees:

	Audit	Nominating and Corporate Governance	Compensation	Transaction
Timothy P. Walbert				
Michael Grey				
William F. Daniel				
Jeff Himawan, Ph.D.				
Virinder Nohria, M.D., Ph.D.				
Ronald Pauli				
Gino Santini				
H. Thomas Watkins				
Total meetings in fiscal 2015	6	4	5	9

= Chair = Member = Lead Independent Director

Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The Board of Directors has determined that each member of each committee meets the applicable NASDAQ rules and regulations regarding independence and that each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to the Company.

Below is a description of each committee of the Board of Directors.

Audit Committee

The Audit Committee of the Board of Directors was established by the Board in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act), to oversee the Company s corporate accounting and financial reporting processes and audits of its financial statements. The Audit Committee is composed of three non-employee directors: Mr. Pauli, Mr. Daniel and Dr. Himawan, with Mr. Pauli serving as the chairperson of the Audit Committee. All members of the Audit Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the NASDAQ listing standards). The Audit Committee met six times during the last fiscal year. The Audit Committee has adopted a written charter that is available to shareholders on the Company s website at *www.horizonpharma.com.*

The Audit Committee performs numerous functions including, among other things:

evaluating the performance, independence and qualifications of the Company s independent registered public accounting firm and determining whether to retain the Company s existing independent registered public accounting firm or engage a new independent registered public accounting firm;

reviewing and approving the engagement of the Company s independent registered public accounting firm to perform audit services and any permissible non-audit services;

monitoring the rotation of partners of the Company s independent registered public accounting firm on the Company s engagement team as required by law;

reviewing the Company s annual and quarterly financial statements and significant issues that arise regarding accounting principles and financial statement presentation, and matters concerning the scope, adequacy and effectiveness of the Company s financial controls with the Company s independent registered public accounting firm and management;

monitoring the Company s financial reporting process;

as appropriate, reviewing any earnings announcements and other public announcements regarding material developments;

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- establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding financial controls, accounting or auditing matters and other matters;

- preparing the report that the Securities and Exchange Commission (SEC) requires in the Company s annual proxy statement;

- reviewing and providing oversight with respect to any related party transactions and monitoring compliance with the Code;

- monitoring of the effectiveness of the Company s systems of internal control, internal audit and risk management;

- reviewing the Company s major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management is implemented;

- reviewing the Company s investment policy on a periodic basis; and

- reviewing and evaluating, at least annually, the performance of the Audit Committee, including compliance of the Audit Committee with its charter.

The existence of the Audit Committee also satisfies the obligation of the Company to have such a committee pursuant to Section 167 of the Irish Companies Act 2014.

The Board of Directors reviews the NASDAQ listing standards definition of independence for Audit Committee members on an annual basis and has determined that all members of the Company s Audit Committee are independent (as independence is currently defined in Rule 5605(c)(2)(A)(i) and (ii) of the NASDAQ listing standards).

The Board of Directors has also determined that Mr. Pauli qualifies as an audit committee financial expert, within the meaning of SEC regulations and the NASDAQ Listing Rules. In making this determination, the Board of Directors has considered Mr. Pauli s formal education and the nature and scope of his previous experience, coupled with past and present service on various audit committees. Both the independent registered public accounting firm and management periodically meet privately with the Audit Committee.

Report of the Audit Committee of the Board of Directors

The material in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

The Audit Committee reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2015 with management of the Company. The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (PCAOB). The Audit Committee also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firm s communications with the Audit Committee concerning independence, and discussed with the independent registered public accounting firm the accounting firm s independence. Based on the foregoing, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Audit Committee

Ronald Pauli, *Chairman*

William F. Daniel

Jeff Himawan, Ph.D.

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Compensation Committee

The Compensation Committee is composed of three non-employee directors: Mr. Grey, Dr. Himawan and Mr. Pauli, with Dr. Himawan serving as the chairperson of the Compensation Committee. All members of the Compensation Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the NASDAQ listing standards). The Compensation Committee met five times during the last fiscal year. The Compensation Committee has adopted a written charter that is available to shareholders on the Company s website at *www.horizonpharma.com.*

The Compensation Committee of the Board of Directors acts on behalf of the Board of Directors to review and approve or recommend for adoption and oversee the Company s compensation strategy, policies, plans and programs, including:

- reviewing and approving (or if it deems appropriate, recommending to the Board of Directors regarding) compensation, performance goals and objectives relevant to the compensation of the Company s executive officers and assessing their performance against these goals and objectives;
- evaluating and approving (or if it deems appropriate, recommending to the Board of Directors regarding) the type and amount of compensation to be paid or awarded to non-employee members of the Board of Directors;
- evaluating, approving and administering equity incentive plans, compensation plans and similar programs advisable for the Company, as well as modification or termination of existing plans and programs;
- establishing policies with respect to equity compensation arrangements;
- reviewing the competitiveness of the Company s executive compensation programs and evaluating the effectiveness of the Company s compensation policy and strategy in achieving expected benefits to the Company;
- reviewing and approving (or if it deems appropriate, recommending to the Board of Directors regarding) the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for its executive officers;
- preparing the report that the SEC requires in the Company s annual proxy statement;
- reviewing the adequacy of the Company s Compensation Committee charter on a periodic basis;
- reviewing and evaluating, at least annually, the performance of the Compensation Committee; and
- evaluating risks associated with the Company s compensation policies and practices and assessing whether risks arising from the Company s compensation policies and practices for its employees are reasonably likely to have a material adverse effect on the Company.

Each year, the Compensation Committee reviews with management the Company s Compensation Discussion and Analysis and considers whether to recommend that it be included in proxy statements and other filings.

In making its compensation decisions and recommendations, the Compensation Committee may take into account the recommendations of the Chief Executive Officer and other senior management. Other than giving such recommendations, however, the Chief Executive Officer and other senior management have no formal role and no authority to determine the amount or form of executive and director compensation.

The Compensation Committee may, at the expense of the Company, retain legal counsel (which may, but need not be, the regular corporate counsel to the Company) and other consultants and advisors, other than in-house legal counsel and certain other types of advisors, to assist it with its functions only after taking into

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consideration six factors, prescribed by the SEC and NASDAQ, that bear upon the advisor s independence; however, there is no requirement that any advisor be independent. The Compensation Committee has authority to approve such advisors fees and other retention terms and to terminate its relationship with any advisor that it retains. In addition, the Compensation Committee has authority to delegate its responsibilities to subcommittees or individual committee members.

Compensation Committee Interlocks and Insider Participation

As noted above, the Compensation Committee is composed of Mr. Grey, Dr. Himawan and Mr. Pauli. No member of our Compensation Committee has ever been an executive officer or employee of the Company. None of the Company s officers currently serves, or has served during the last completed year, on the compensation committee or board of directors of any other entity that has one or more officers serving as a member of our Board of Directors or Compensation Committee.

Compensation Committee Report

The material in this report is not soliciting material, is furnished to, but not deemed filed with, the SEC and is not to be incorporated by reference in any filing of Horizon under the Securities Act or Exchange Act whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis (CD&A) contained in this Proxy Statement. Based on this review and discussion, the Compensation Committee has recommended to the Board of Directors that the CD&A be included in this Proxy Statement and incorporated into the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Compensation Committee

Jeff Himawan, Ph.D., *Chairman*

Michael Grey

Ronald Pauli

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is composed of three non-employee directors: Mr. Daniel, Mr. Santini and Mr. Watkins, with Mr. Watkins serving as the chairperson of the Nominating and Corporate Governance Committee. All members of the Nominating and Corporate Governance Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the NASDAQ listing standards). The Nominating and Corporate Governance Committee met four times during the last fiscal year. The Nominating and Corporate Governance Committee has adopted a written charter that is available to shareholders on the Company s website at *www.horizonpharma.com.*

The functions of the Nominating and Corporate Governance Committee include, among other things:

- identifying, reviewing, evaluating and determining the minimum qualifications for candidates to serve on the Board of Directors;
- evaluating director performance on the Board and applicable committees of the Board;
- considering nominations by shareholders of candidates for election to the Board;
- considering and assessing the independence of members of the Board of Directors;

developing, as appropriate, a set of corporate governance principles, and reviewing and recommending to the Board of Directors any changes to such principles;

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- reviewing, on a periodic basis, as appropriate, the Code and approve (or, if deemed appropriate, recommend to the Board of Directors) any changes to the Code;

- periodically reviewing the Company s policy statements to determine their adherence to its Code and considering any request by the Company s directors or executive officers for a waiver from such Code;

- reviewing the adequacy of its charter on an annual basis; and

- evaluating, at least annually, the performance of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee will consider candidates for the Board of Directors who are recommended by shareholders, directors, third party search firms engaged by the Company and other sources. When selecting candidates for recommendation to the Board of Directors, the Nominating and Corporate Governance Committee will consider the attributes of the candidates and the needs of the Board of Directors and will review all candidates in the same manner, regardless of the source of the recommendation. In evaluating director nominees, a candidate should have certain minimum qualifications, including being able to read and understand basic financial statements, having familiarity with our business and industry, having high moral character and mature judgment, and being able to work collegially with others. In addition, factors such as the following may be considered:

- the independence standards established by the Company, the presence of any material interests that could cause a conflict between the Company s interests and the interests of the director nominee, and the director nominee s ability to exercise his or her best business judgment in the interest of all shareholders;

- the director nominee s willingness to adhere to the Code;

- the director nominee s ability to devote sufficient time to the business of the Board of Directors and at least one of the standing committees of the Board of Directors, in light of the number of other boards on which the director nominee serves (for profit and not-for-profit) and the other business and professional commitments of the director nominee;

- the appropriate size and the diversity of the Company s Board of Directors;

- the knowledge, skills and experience of the director nominee, including experience in the industry in which the Company operates, as well as in the general areas of business, finance, management and public service, in light of prevailing business conditions and the knowledge, skills and experience already possessed by other members of the Board of Directors;

- the director nominee s familiarity with domestic and international business matters;

- legal and regulatory requirements that are applicable to the Company;

- the director nominee s experience with accounting rules and practices;

- the director nominee s ability to enhance the relationship of the Company s business to the changing needs of society; and the desire of the Board of Directors to balance the considerable benefit of continuity with the periodic injection of the fresh perspective provided by new members.

The Nominating and Corporate Governance Committee believes in an expansive definition of diversity that includes differences of experience, education and talents, among other things. While the Nominating and Corporate Governance Committee does not have a formal policy in this regard, the diversity of the Board is listed as a factor to be considered in evaluating candidates for the Board, among others, in the Nominating and Corporate Governance Committee Charter, which is available on our website at *www.horizonpharma.com*. The Nominating and Corporate Governance Committee seeks to achieve a range of talents, skills and expertise on the Board and evaluates each nominee with regard to the extent to which he or she contributes to this overall mix.

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The Nominating and Corporate Governance Committee will consider director candidates recommended by Horizon shareholders. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates a candidate for nomination to the Board based on whether or not the candidate was recommended by a Horizon shareholder.

Shareholders who wish to recommend individuals for consideration by the Nominating and Corporate Governance Committee to become nominees for election to the Board at an Annual General Meeting of Shareholders must do so by delivering a written recommendation to the Nominating and Corporate Governance Committee c/o Horizon Pharma plc, Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland, Attn: Company Secretary, (i) no earlier than the close of business on , 2016, which is 150 days prior to the first anniversary of the date this Proxy Statement was first released to members in connection with the Annual General Meeting, if such nomination is to be included in the Company s proxy statement and form of proxy relating to an annual general meeting of shareholders, and (ii) no later than the close of business on , 2017, which is 90 days prior to the first anniversary of the date this Proxy Statement was first released to shareholders in connection with the Annual General Meeting, if such nomination is not to be included in the Company s proxy statement and form of proxy relating to an annual general meeting of shareholders. Each submission must:

- set forth the name, age, business address and residence address of each individual whom the shareholder proposes to nominate for election or re-election as a director;
- set forth the principal occupation or employment of such nominee;
- set forth the class and number of our ordinary shares which are owned of record and beneficially by such nominee;
- set forth the date or dates on which such ordinary shares were acquired and the investment intent of such acquisition;
- include a completed and signed questionnaire, representation and agreement required by article 99.4 of our Articles of Association;
- include such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required pursuant to Regulation 14A under the Exchange Act and the rules and regulations promulgated thereunder (including such proposed nominee s written consent to being named as a nominee and to serving as a director if elected); and
- include the information required by article 99.3 of our Articles of Association.

Transaction Committee

The Transaction Committee is composed of three directors: Mr. Grey, Mr. Santini and Mr. Watkins, with Mr. Santini serving as the chairperson of the Transaction Committee. All members of the Transaction Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the NASDAQ listing standards). The Transaction Committee met nine times during the last fiscal year. The Transaction Committee has adopted a written charter that is available to shareholders on the Company s website at *www.horizonpharma.com.*

The functions of the Transaction Committee include, among other things:

- reviewing, considering and evaluating proposed product or business acquisitions or divestitures, licensing, distribution, promotion, collaboration and other commercial agreements and arrangements, joint ventures, and any other business development transactions;

reviewing, considering and evaluating proposed financing opportunities, including the issuance of equity, debt and convertible securities;

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reviewing, considering and evaluating proposed Existing Debt Dealings (as defined in the charter of the Transaction Committee);

monitoring negotiations and other communications with third parties in connection with potential business development transactions, financing opportunities and debt discharge opportunities;

considering historical and current information regarding the Company s business, prospects, financial condition, operations, capabilities, products, management, advisors, competitive position and industry, and how these factors may affect business development, financing opportunities and debt discharge opportunities;

considering general economic, industry and financial market conditions and trends, and how these factors may affect business development, financing opportunities and debt discharge opportunities;

meeting with management to identify and assist the Board in evaluating opportunities that will further the Company s business development strategy; and

periodically reviewing and evaluating prior transactions and financings for consistency with, and achievement of, the Company s strategic business goals, objectives or plans.

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EXECUTIVE OFFICERS

The following table sets forth information regarding executive officers as of March 31, 2016:

Name	Age	Position with the Company
Timothy P. Walbert	49	Chairman, President and Chief Executive Officer
Timothy J. Ackerman	49	Senior Vice President, Commercial Operations
Brian K. Beeler	43	Executive Vice President, General Counsel
Robert F. Carey	57	Executive Vice President, Chief Business Officer
Geoffrey M. Curtis	41	Senior Vice President, Corporate Communications
George P. Hampton	46	Executive Vice President, Orphan and Primary Care Business Units and International Operations
Paul W. Hoelscher	51	Executive Vice President, Chief Financial Officer
David G. Kelly	55	Executive Vice President, Company Secretary and Managing Director, Ireland
Barry J. Moze	62	Executive Vice President, Chief Operating Officer
Jeffrey W. Sherman, M.D., FACP	61	Executive Vice President, Research and Development and Chief Medical Officer
John B. Thomas	53	Executive Vice President, Strategy and Investor Relations

The following is biographical information as of March 31, 2016 for our executive officers other than Mr. Walbert, whose biographical information is included above.

Timothy J. Ackerman. Mr. Ackerman has served as our senior vice president, commercial operations since January 2016. Prior to that, Mr. Ackerman served as our group vice president, corporate analytics from January 2015 until January 2016, as our vice president, corporate analytics from August 2014 until January 2015 and as our senior director, payer marketing and commercial development from September 2011 until August 2014. From September 2008 to September 2011, Mr. Ackerman served as director of commercial development for Marathon Pharmaceuticals, a private biopharmaceutical company. Prior to Marathon, Mr. Ackerman spent more than 15 years with Abbott in a series of both corporate and pharmaceutical group positions, including finance, forecasting, market research, managed care marketing and product management, where he was promoted to positions of increasing responsibility, including general manager of managed care for the pharmaceutical products division. Mr. Ackerman began his career at PricewaterhouseCoopers LLP. Mr. Ackerman received a B.S. in accounting from the University of Dayton.

Brian K. Beeler. Mr. Beeler has served as our executive vice president, general counsel since May 2015. Mr. Beeler previously served as our senior vice president, legal and chief compliance officer from January 2015 until May 2015, as our associate general counsel and chief compliance officer from September 2014 until January 2015 and as our associate general counsel and chief compliance officer from January 2013 until September 2014. Prior to joining Horizon, Mr. Beeler served as associate general counsel for Fenwal, Inc., a global life sciences manufacturer of products for transfusion medicine, from December 2008 until December 2012. Before that, Mr. Beeler was senior counsel, business development, commercial and research and development at TAP Pharmaceuticals and Takeda Pharmaceuticals North America and also previously served as chief compliance officer at Schwartz Pharma. Mr. Beeler received a bachelor s degree in history from Purdue University, an MBA from the Kellogg School of Management at Northwestern University and a JD from the Indiana University School of Law.

Robert F. Carey. Mr. Carey has served as our executive vice president, chief business officer since March 2014. Prior to that, Mr. Carey spent more than 11 years as managing director and head of the life sciences investment banking group at JMP Securities LLC, a full-service investment bank. Prior to JMP, Mr. Carey was a managing director in the healthcare groups at Dresdner Kleinwort Wasserstein and Vector Securities. Mr. Carey also has held roles at Red Hen Bread, InStadium, Shearson Lehman Hutton and Ernst & Whinney. Mr. Carey received his B.S. in accounting from the University of Notre Dame.

Geoffrey M. Curtis. Mr. Curtis has served as our senior vice president, corporate communications since January 2016. Prior to that, Mr. Curtis served as our group vice president, corporate communications from April 2015 until January 2016. From May 2012 until April 2015, Mr. Curtis served as senior vice president at Edelman Public Relations and as part of its National Health Media Team, he led media strategy and execution for a large portfolio of pharmaceutical, biotech and medical device clients. Prior to that, Mr. Curtis was group director of the media practice at WCG, a W20 Group company, from July 2006 until May 2012 and held a similar role at GCI Group from March 2004 until July 2006. Prior to joining GCI, Mr. Curtis served as a public affairs manager in the Pharmaceutical Products Division at Abbott, where he led internal and external communications programs for the immunology, neuroscience and oncology franchises. Mr. Curtis received a bachelor s degree in English from Lake Forest College in Lake Forest, Illinois.

George P. Hampton. Mr. Hampton has served as our executive vice president, orphan and primary care business units and international operations since February 2016. Previously, Mr. Hampton served as our executive vice president, orphan business unit and international operations from August 2015 to February 2016 and as our group vice president, international operations from April 2015 to August 2015. Prior to joining Horizon as a full time employee, Mr. Hampton served as our consultant since 2008. From 2009 until February 2015, Mr. Hampton served as president and chief executive officer of Global Village Concerns, a privately held technology company. Mr. Hampton has more than 20 years of experience as an executive in the pharmaceutical and biotech field on both a national and international scale including specific expertise in the autoimmune, primary care, orthopedic, diabetes, anti-infectives and cardiovascular areas. Mr. Hampton holds a bachelor s degree from Miami University in Oxford, Ohio.

Paul W. Hoelscher. Mr. Hoelscher has served as our executive vice president, chief financial officer since October 2014. Previously, Mr. Hoelscher was our executive vice president, finance from June 2014 through September 2014. Prior to joining Horizon, Mr. Hoelscher served as senior vice president, finance treasury and corporate development of OfficeMax, Inc., from August 2013 to May 2014, and as vice president, finance treasury and corporate development of OfficeMax from August 2012 to July 2013. From May 2011 to May 2012, Mr. Hoelscher served as vice president, finance integration of Alberto Culver Company, a beauty care company which was acquired by Unilever in 2011. Prior to that, Mr. Hoelscher served as vice president, international finance and treasurer from 2010 to May 2011 and vice president, corporate controller from 2004 to 2010. Mr. Hoelscher also served in various positions in the audit practice at KPMG LLP from 1986 to 1993. Mr. Hoelscher received his B.S. in accountancy from the University of Illinois at Urbana-Champaign and is a certified public accountant.

David G. Kelly. Mr. Kelly has served as our company secretary since November 2014 and as our executive vice president, managing director, Ireland, since September 2014. Prior to joining Horizon, Mr. Kelly served as chief financial officer of the Vidara Therapeutics Group from February 2012 to September 2014, and was previously chief financial officer of AGI Therapeutics plc, a publicly-listed Irish pharmaceutical company, from May 2005 to January 2012. Mr. Kelly also served as senior vice president, finance and planning of Warner Chilcott plc (formerly Galen Holdings plc), a fully integrated specialty pharmaceutical company based in Northern Ireland. In addition, Mr. Kelly held roles at Elan Corporation and KPMG LLP. Mr. Kelly holds a B.A. in economics from Trinity College, Dublin and is also a member of the Institute of Chartered Accountants in Ireland (ACA).

Barry J. Moze. Mr. Moze has served as our executive vice president, chief operating officer since February 2016. Prior to that, Mr. Moze served as our executive vice president, corporate development since May 2014. Prior to joining Horizon, Mr. Moze spent more than 28 years as a partner of Crystal Clear Communications, a consulting firm focused on the development and execution of corporate strategies. Prior to Crystal Clear,

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Mr. Moze was a founder and president of Review Services and Asset Management Group, a licensed investment advisory firm. Mr. Moze serves on the board of directors of Palermo Villa.

Jeffrey W. Sherman, M.D., FACP. Dr. Sherman has served as our executive vice president, research and development and chief medical officer since September 2014. From June 2011 until September 2014, Dr. Sherman served as our executive vice president, development, manufacturing and regulatory affairs and chief medical officer and from June 2009 until June 2011, Dr. Sherman served as our executive vice president, development and regulatory affairs and chief medical officer. From June 2009 to June 2010, Dr. Sherman served as president and board member of the Drug Information Association (DIA), a nonprofit professional association of members who work in government regulatory, academia, patient advocacy, and the pharmaceutical and medical device industry. Prior to June 2009, Dr. Sherman held other management roles at IDM Pharma, Inc., Takeda Global Research & Development, NeoPharm, Inc. and G.D. Searle, LLC/Pharmacia. Dr. Sherman is now a past president of DIA and serves as DIA liaison to the Clinical Trial Transformation Initiative, a public-private partnership founded by the U.S. Food and Drug Administration and Duke University. He also serves on the Board of Advisors of the Center for Information and Study on Clinical Research Participation, a nonprofit organization dedicated to educating and informing the public, patients, medical/research communities, the media, and policy makers about clinical research and the role each party plays in the process. Dr. Sherman is an adjunct assistant professor of Medicine at the Northwestern University Feinberg School of Medicine and is a member of a number of professional societies as well as a diplomat of the National Board of Medical Examiners and the American Board of Internal Medicine. Dr. Sherman received his M.D. from the Rosalind Franklin University/Chicago Medical School. Dr. Sherman completed an internal medicine internship, residency and chief medical residency at Northwestern University as well as fellowship training at the University of California, San Francisco (UCSF). Dr. Sherman was also a research associate at the Howard Hughes Medical Institute at UCSF.

John B. Thomas. Mr. Thomas has served as our executive vice president, strategy and investor relations since May 2015. Previously, Mr. Thomas was vice president of investor relations and public affairs for Abbott Laboratories, a healthcare company, and president of the Abbott Fund from 2005 until May 2014. Before that, Mr. Thomas also held various management positions at Abbott Laboratories. Mr. Thomas is a member of the National Investor Relations Institute and serves on the Board of Professional Directors for the Meek School of Journalism and New Media at the University of Mississippi. He was previously the vice chairman of the Conference Board s Senior Council of Investor Relations Executives from 2011 until 2013. Mr. Thomas received a B.A. degree in journalism and a minor in English from the University of Mississippi and an MBA from The Lake Forest Graduate School of Management.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis discusses the compensation philosophy, policies and principles underlying our executive compensation decisions for 2015. It provides qualitative information on the factors relevant to these decisions and the manner in which compensation is awarded to the following executive officers who have been named in the Summary Compensation Table included in this Proxy Statement and whom we refer to as our named executive officers:

Named Executive Officer	Title
Timothy P. Walbert	Chairman, President and Chief Executive Officer
Robert F. Carey	Executive Vice President, Chief Business Officer
Paul W. Hoelscher	Executive Vice President, Chief Financial Officer
John J. Kody(1)	Former Executive Vice President, Chief Commercial Officer
George P. Hampton(2)	Executive Vice President, Orphan and Primary Care Business Units and International Operations

(1) On January 8, 2016, the Chief Commercial Officer role was eliminated and Mr. Kody s employment terminated.
(2) Mr. Hampton was promoted to the position of Executive Vice President, Orphan Business Unit and International Operations in August 2015. Mr. Hampton additionally assumed leadership of the Primary Care Business Unit in February 2016.

Executive Summary

Our Compensation Committee believes that our executive compensation program is appropriately designed and reasonable in light of the executive compensation programs of our industry group and peer group companies in that it both encourages our named executive officers to work for our long-term prosperity and reflects a pay-for-performance philosophy, without encouraging our employees to assume excessive risks.

2015 was a record year of performance and growth for Horizon. Highlights include:

- Our share price appreciation significantly exceeded the mean of our peer group, the NASDAQ Biotechnology Index (NBI) and the NASDAQ over 1-year and 3-year time periods. Horizon s share price appreciation was first in its peer group in both time periods:
  - 1-year: HZNP: 68% vs. peer group mean of 11%, NBI of 11% and NASDAQ of 6%.
  - 3-year: HZNP: 830% vs. peer group mean of 233%, NBI of 147% and NASDAQ of 66%.
- We generated significant growth in net sales and Adjusted EBITDA[1], significantly exceeding internal goals:
  - 2015 net sales of $757.0 million, more than 150% growth over 2014 net sales.
  - 2015 Adjusted EBITDA of $362.1 million, more than quadrupled 2014 Adjusted EBITDA
- We completed the acquisition of Hyperion Therapeutics, Inc. on May 7, 2015, and entered into an agreement to acquire Crealta Holdings LLC on December 10, 2015, which was completed on January 14, 2016.

Both acquisitions increased Horizon s sales from orphan disease medicines and together are expected to generate approximately $150 million in Adjusted EBITDA in 2016.

[1] Adjusted earnings before interest, taxes, depreciation and amortization and other amounts (Adjusted EBITDA) is used and provided by us as a non-GAAP financial measure so our investors have a more complete understanding of Horizon s financial performance. In addition, this non-GAAP financial measure is among the indicators our management uses for planning and forecasting purposes and measuring the Company s performance.

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We achieved significant clinical development and regulatory milestones:

We initiated a Phase 3 trial for ACTIMMUNE in Friedreich s ataxia.

We initiated a Phase 1 dosing trial for ACTIMMUNE in cancer.

Earlier than expected, we received European marketing approval for RAVICTI for the treatment of urea cycle disorders in patients two months of age and older.

We significantly diversified our portfolio of medicines, so that no single medicine represented more than 25% of our business in the fourth quarter of 2015, versus 55% for the full year 2014.

We secured 13 additional U.S. patents covering various medicines, including PENNSAID 2%, RAVICTI, RAYOS and VIMOVO.

We raised $1.75 billion of capital through four successful debt and equity offerings, resulting in a diversified capital structure consisting of senior secured term loans, senior unsecured notes and exchangeable notes, while significantly lowering the annual cash interest rate on our debt from 7.7% to 4.7%.

We significantly increased the breadth and depth of our management team with the addition of George P. Hampton, John B. Thomas and Geoffrey M. Curtis in senior management and filled multiple vice president level positions. We added approximately 300 employees to our Company.

We have had strong stock price performance and revenue growth as measured against our compensation peer group for a sustained period. The following charts illustrate the level of our stock price performance as measured against our peer group over one- and three-year periods:

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Compensation Objectives

We believe in providing a competitive total compensation package to our executive management team through a combination of base salary, annual bonuses, grants under our Cash Long-Term Incentive Program (Cash LTIP), grants under our equity incentive compensation plan and severance and change in control benefits. Our executive compensation programs are designed to achieve the following objectives:

- attract and retain talented and experienced executives to manage our business to meet our long-term objectives;
- motivate and reward executives whose knowledge, skills and performance are critical to our success;
- align the interests of our executive officers and shareholders by motivating executive officers to achieve performance objectives that will increase shareholder value;
- provide a competitive compensation package in which total compensation is determined in part by market factors, key performance objectives and milestones and the achievement level of these performance objectives and milestones by our executive officers; and
- reward the achievement of key corporate and individual performance measures.

Our Compensation Committee believes that our executive compensation programs should include short- and long-term performance incentive components, including cash and equity-based compensation, and should reward consistent performance that meets or exceeds expectations by increasing base salary levels, awarding cash bonuses and granting additional equity awards, as appropriate. The Compensation Committee evaluates both performance and compensation to make sure that the total compensation provided to our executives remains competitive relative to compensation paid by companies of similar size and stage of development operating in the pharmaceutical industry, taking into account our relative performance and our own strategic objectives.

2015 Executive Compensation Program

The major aspects of our 2015 executive compensation program include the following:

- *No Guaranteed Salary Increases or Bonus Awards*. We do not provide our named executive officers with guaranteed salary increases or bonuses. Our named executive officers are employed at-will and are expected to demonstrate strong performance in order to continue serving as members of the executive team.
- *2015 Annual Cash Incentive Program*. Payouts under our 2015 Annual Cash Incentive Program were linked to attainment of our 2015 key corporate performance objectives.
- *2015 Performance Share Unit Awards and other Long-Term Equity Grants*. We granted performance share unit awards (PSUs) in order to further incentivize our leadership team to deliver outstanding long-term returns to shareholders. Payout levels for the PSUs are tied to the level of our total shareholder return and no payouts can occur without the creation of sustained long-term shareholder value over a three-year performance period. We also granted stock options and restricted stock unit awards (RSUs) which serve as retention devices, because the executive must continue employment with us for the awards to vest. These awards also further serve to align our named executive officer s interest with those of our shareholders. Our 2015 equity grants to our named executive officers were intended to cover equity awards for the next three years and no other equity grants will be made to our named executive officers prior to expiration of the three-year PSU performance period in 2018.

Deferred Compensation Plan. We adopted a non-qualified deferred compensation plan (Deferred Compensation Plan) which provides additional tax and financial planning flexibility for eligible officers, including our named executive officers, by allowing them to elect to defer receipt of earned base salary and bonus amounts to a later taxable year and is intended to allow them to defer income tax consequences associated with the receipt of their compensation without being subject to the deferral contribution limits of our 401(k) Plan. For 2015, we made matching contributions with respect to 50% of the first 6% of deferrals, which is the same general matching contribution formula that we use for our 401(k) Plan.

Share Ownership Guidelines. We have minimum share ownership guidelines for our Board of Directors, Chief Executive Officer, Executive Vice Presidents and certain other employees who serve on our executive leadership team.

No Excessive Perquisites. We do not provide personal lifestyle perquisites, such as company cars, country club memberships, vacation units, personal use of aircraft, personal entertainment accounts or similar perquisites.

No Hedging or Pledging. Our Insider Trading Policy prohibits our executive officers, other employees, non-employee directors and consultants from engaging in short sales, transactions in put or call options, hedging transactions or other inherently speculative transactions with respect to our ordinary shares at any time. In addition, no officer, director, other employee or consultant of Horizon may margin, or make any offer to margin, any of our ordinary shares, including without limitation, borrowing against such ordinary shares, at any time.

Realized Pay Table

The table below supplements the Summary Compensation Table that appears on page 47. This table shows the compensation actually realized in 2015 by each named executive officer. The primary difference between this supplemental table and the standard Summary Compensation Table is the method used to value equity awards. SEC rules require that the grant date fair value of all PSUs, stock options and RSUs be reported in the Summary Compensation Table for the year that they were granted. As a result, a significant portion of the total compensation amounts reported in the Summary Compensation Table relate to PSUs, stock options and RSUs that have not vested and for which the value is therefore uncertain (and which may end up having no value at all). For example, as further described below in *Elements of Executive Compensation Long-Term Incentive Compensation Performance Share Unit Awards* , if our stock price doesn t consistently trade above the range of $31.58 to $33.86 in the period from December 2017 through June 2018, representing a minimum three-year total shareholder return (TSR) of 15%, then the PSUs will expire with $0 realized value.

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In contrast, the supplemental table below includes only the value of equity awards that vested during 2015 and shows the value of those awards as of the applicable vesting date. There is no assurance that the named executive officers will actually realize the value attributed to these equity awards even as listed in this supplemental table because the ultimate value of the stock options will depend on when the stock options are exercised and the underlying shares are sold and the ultimate value of the RSUs will depend on when the released shares are sold.

Name and Principal Position	Year	Salary	Bonus	Value of Option Awards Vested(1)	Value of Stock Awards Vested(1)	Non-Equity Incentive Plan	All Other Compensation	Total
Timothy P. Walbert Chairman, President and Chief Executive Officer	2015	$ 859,375	$ 67,650	$ 2,854,800	$ 1,722,944	$ 1,532,350	$ 62,537	$ 7,099,656
Robert F. Carey Executive Vice President, Chief Business Officer	2015	$ 454,375	$ 46,750	$ 715,183	$ 646,561	$ 403,250	$ 33,279	$ 2,299,398
Paul W. Hoelscher Executive Vice President, Chief Financial Officer	2015	$ 454,375	$ 46,750	$ 521,213	$ 685,400	$ 403,250	$ 44,164	$ 2,155,152
John J. Kody(2) Former Executive Vice President, Chief Commercial Officer	2015	$ 427,000	$	$ 331,567	$ 411,378	$ 213,500	$ 36,310	$ 1,419,755
George P. Hampton(3) Executive Vice President, Orphan and Primary Care Business Units and International Operations	2015	$ 287,500	$ 50,000	$	$	$ 362,925	$ 18,859	$ 719,284

(1) With the exception of Mr. Kody, no shares in respect of option and stock awards vested have been sold by any of our named executive officers. Horizon has withheld from the issuance of shares in settlement of the stock awards a number of shares with a value equal to the applicable withholding taxes.
(2) On January 8, 2016, the Chief Commercial Officer role was eliminated and Mr. Kody s employment terminated.
(3) Mr. Hampton was promoted to the position of Executive Vice President, Orphan Business Unit and International Operations in August 2015. Mr. Hampton additionally assumed leadership of the Primary Care Business Unit in February 2016.

Setting Executive Compensation

Our Board of Directors has delegated to the Compensation Committee of our Board of Directors, which is composed of independent directors under SEC regulations and the NASDAQ Listing Rules, responsibility for creating, reviewing and approving, or, if it deems appropriate, making recommendations for approval to the Board, the compensation of our executive officers. The Compensation Committee also oversees our compensation and benefit plans and policies and administers our equity incentive plans.

Generally on an annual basis the Compensation Committee reviews and approves, or recommends for Board approval, the compensation to be paid to our Chief Executive Officer and other executive officers. As part of this process, the Compensation Committee conducts an annual review of the aggregate level of our executive compensation, the mix of elements used to compensate our executive officers and historic compensation levels, including prior equity award gains and losses.

When setting executive compensation levels the Compensation Committee has historically considered compensation paid by life sciences companies included in the Radford Global Life Sciences Survey, together with other information made available to it, such as compensation analysis performed by independent, third-party compensation specialists. The Compensation Committee generally believes that gathering this information is an important part of our compensation-related decision-making process and typically provides additional context and validation for our executive compensation decisions. Although our Compensation Committee has historically used the Radford survey data as a tool in determining executive compensation, it typically has not used a formula to set our executives compensation in relation to this data. In addition, our Compensation Committee has typically taken into account advice from other non-employee members of our Board of Directors and publicly available data relating to the compensation practices and policies of other companies within and outside our industry.

The Compensation Committee has also considered and intends to continue to consider key performance objectives and milestones and the achievement level of these performance objectives and milestones by our executive officers as well as market factors in setting their base compensation and target bonus levels, and awarding bonuses and long-term incentives.

Consideration of Shareholder Advisory Votes

At HPI s 2012 Annual Meeting of Stockholders, the Board recommended and our shareholders agreed to hold an advisory vote on executive compensation each year. In addition to holding an annual advisory vote on executive compensation, we are committed to ongoing engagement with our shareholders on executive compensation and corporate governance issues. Our say-on-pay vote held at our 2015 Annual General Meeting of Shareholders was supported by approximately 91% of the votes affirmatively cast, excluding abstentions and broker non-votes. While this vote was only advisory, our Compensation Committee interpreted it to be a positive affirmation from our shareholders that they endorse our historical compensation philosophy, policies and decisions.

At our 2015 Annual General Meeting of Shareholders, our shareholders also approved an amendment and restatement of our 2014 Equity Incentive Plan (our 2014 Equity Incentive Plan, as amended and restated in 2015, is referred to in this Proxy Statement as the 2014 Plan) which:

- increased the number of ordinary shares authorized for issuance under the 2014 Plan by an additional 14,000,000 ordinary shares; and

- for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the IRC), (a) increased the maximum number of shares that may be granted per calendar year to any one participant pursuant to stock options, stock appreciation rights and other stock awards whose value is determined by reference to an increase over an exercise price or strike price of at least 100% of the fair market value of the underlying Horizon ordinary shares on the date of grant to 3,000,000 ordinary shares, (b) increased the maximum number of shares that may be granted per calendar year to any one participant as a performance stock award to 3,000,000 ordinary shares, (c) confirmed the other applicable award limits for purposes of compliance with Section 162(m), (d) confirmed existing performance criteria upon which performance goals may be based with respect to performance awards under the 2014 Plan, and (e) confirmed existing permitted means of adjustment when calculating the attainment of performance goals for performance awards granted under the 2014 Plan.

A significant majority of the PSUs granted to the executive officers were granted contingent on receiving this positive shareholder vote. Any of the PSUs that remain outstanding at the expiration of the three-year performance period in 2018 but are not earned due to our failure to attain the requisite performance criteria will be cancelled at such time and the related ordinary shares will not be added back in the pool of shares available for grant under the 2014 Plan.

Compensation Consultants

The Compensation Committee retains the services of third-party executive compensation specialists and consultants from time to time, as it sees fit, in connection with the establishment of cash and equity compensation and related policies. In June 2014, we initially engaged ClearBridge Compensation Group as our new compensation consultant because of ClearBridge s experience in developing long-term equity incentive programs

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for other companies that have successfully aligned management and shareholder interests. In November 2014, ClearBridge was engaged to develop a new comprehensive long-term incentive compensation program for our executive team, including our named executive officers, as further described below under *Long-Term Incentive Compensation.*

Independence of Compensation Consultants

In February 2015, the Compensation Committee conducted an independence assessment of ClearBridge to determine if it would continue to engage ClearBridge as its compensation consultant. In conducting the independence assessment, the Compensation Committee considered the following factors: whether ClearBridge would provide any other services to the Company; the amount of fees anticipated to be received by ClearBridge from the Company as a percentage of ClearBridge s total revenues; the policies and procedures of ClearBridge that are designed to prevent conflicts of interest; any business or personal relationship of the individual representative of ClearBridge who would work directly with the Compensation Committee; any of the Company s stock owned by the individual representative of ClearBridge who would work directly with the Compensation Committee; and any business or personal relationship of the individual representative of ClearBridge who would work directly with the Compensation Committee, or of ClearBridge, with any of our executive officers. After conducting this assessment, the Compensation Committee concluded that the continued engagement of ClearBridge did not raise any conflict of interest.

Peer Group

Our philosophy is to attract and retain top talent with experience in building and leading a successful biopharmaceutical company, provide competitive compensation and benefits opportunities that motivate appropriate risk taking to achieve success, clearly communicate the drivers of business success to create a sense of urgency and ownership among employees, create a direct, meaningful link between business results, individual performance and rewards to motivate over-achievement, to provide flexibility in our compensation plans to allow differentiation for our employees with the highest performance and potential, to create equitable pay opportunities for management and high-level individual contributors and to align interests of management, employees and shareholders to set priorities and focus. The Compensation Committee determined that it generally reference the 50^{th} percentile of comparable companies in combination with multiple other factors, such as the executives respective levels of experience and responsibility, internal pay equity, and the other compensation elements provided to the executives, in determining the total target cash compensation for all executives.

In August 2015, our Compensation Committee determined that changes should be made to the peer group because of Horizon s significant growth since the Vidara transaction and removed 13 companies from the peer group because they were significantly smaller than Horizon. The Compensation Committee also determined to add Mallinckrodt plc and Seattle Genetics, Inc. to the peer group because they are similar in size to Horizon, with the resulting 13 peer group companies specified in the table below. These peer group companies were selected by the Compensation Committee because they are in the biotechnology or pharmaceuticals industry and have a size comparable to Horizon based on their market value, enterprise value and revenue. As of June 30, 2015, these peer group companies had a median market capitalization of approximately $9.0 billion, as compared to our market capitalization of approximately $6.0 billion and median revenues of approximately $619 million, as compared to our revenues of approximately $693 million.

Peer Group	
Alkermes plc	Jazz Pharmaceuticals plc
BioMarin Pharmaceutical Inc.	Mallinckrodt plc
Depomed, Inc.	Medivation, Inc.
Endo International plc	Pacira Pharmaceuticals Inc.
Impax Laboratories Inc.	Seattle Genetics, Inc.
Incyte Corporation	United Therapeutics Corporation
Ionis Pharmaceuticals, Inc.	

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Role of Chief Executive Officer in Compensation Decisions

The Chief Executive Officer typically evaluates the performance of other executive officers and employees, along with the performance of the Company as a whole against previously determined objectives, on an annual basis and makes recommendations to the Compensation Committee with respect to annual base salary adjustments, bonuses, cash performance incentives and annual equity awards for the other executives. The Compensation Committee exercises its own independent discretion in approving or recommending to the Board for approval base salary adjustments and cash bonuses, cash performance incentives and equity-based awards for all executive officers. The Chief Executive Officer is not present during deliberations or voting with respect to his own compensation.

Ownership Guidelines for Directors and Executive Officers

In September 2014, our Board of Directors adopted share ownership guidelines for the Company s non-employee directors, Chief Executive Officer, Executive Vice Presidents and certain other employees who serve as members of our executive leadership team, including the named executive officers, or the covered individuals. Under the guidelines, these individuals are expected to own a number of the Company s ordinary shares with a value equal to: five times (5x) base salary, for the Chief Executive Officer; two times (2x) base salary, for the Executive Vice Presidents, and one time (1x) base salary for each other member of the executive leadership team; and two times (2x) the director s annual equity grant value, for each non-employee director of the Company.

The guidelines provide that the individuals subject to the guidelines are expected to establish the minimum ownership levels within five years of the adoption of the guidelines (or within five years of the date an officer or director first becomes subject to them).

The value of the Company s ordinary shares for purposes of determining the number of shares subject to these guidelines in a given year is determined as the product of (i) the number of ordinary shares credited as held by the individual and (ii) the greater of (a) the closing price of the company s ordinary shares on the applicable date, or (b) the purchase or exercise price paid for such shares. Shares that count toward satisfaction of these guidelines include: shares owned outright by the individual (including stock units that have vested but not yet settled); shares retained after an option exercise or issuance under another type of equity award granted under the company s equity incentive plans; shares retained after purchase under our Employee Stock Purchase Plan; shares subject to time-based vesting stock units that have not vested; shares held in a 401(k) plan account; and shares held in trust for the benefit of the individual. Any unvested PSUs and unexercised stock options, whether vested or unvested, will not count toward satisfaction of these ownership guidelines.

Elements of Executive Compensation

The compensation program for our executive officers consists principally of base salary, annual cash incentive compensation and long-term incentive compensation in the form of our Cash LTIP and equity awards, as well as severance protection for certain of our executive officers through employment agreements with those executive officers. Employees in more senior roles have an increasing proportion of their total pay package at risk and tied to performance because they are in a position to have greater influence on the Company s performance results. For example, approximately 99% of our Chief Executive Officer s total 2015 pay package was at risk, as calculated based on the grant date fair value amounts for the 2015 equity grants required to be reported in the Summary Compensation Table and target annual cash bonus. For purposes of such calculations, with respect to stock option grants, the Black-Scholes value on the date of grant was used, with respect to RSU grants, the value of the underlying shares on the date of grant was used, and with respect to PSU grants, the Monte Carlo value on the date of grant was used.

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The following charts illustrate the elements of the 2015 total pay for our Chief Executive Officer and other named executive officers and the respective percentages of the compensation elements which were at risk as determined based on the target annual cash bonus amount and grant date fair value of the equity awards required to be reported in the Summary Compensation Table:

As discussed in more detail below, base salary is based primarily on market factors and annual cash incentive compensation is a target percentage of base salary, with the actual amount awarded determined by the Compensation Committee based upon its determination of the level of attainment of performance goals. The amount of cash compensation and the amount of equity awards granted to our executives are both considered in determining total compensation for our executive officers. Historically, we have not specified a target percentage of the overall compensation to be represented by the various compensation elements. The Compensation Committee s intention was that performance-based cash incentive bonuses and long-term equity compensation should be a significant part of the executive s compensation, and historically, it has represented a significant portion of an executive s total pay package (consisting of base salary, bonus, performance-based cash incentive compensation and equity compensation), so that the vast majority of our named executive officers total pay package is at risk. This helps with implementing a culture in which our named executive officers know that their take-home pay depends, to a large extent, upon the Company s performance.

We have selected each of the executive compensation components for the following reasons:

Taken as a whole, the components of the executive compensation program (base pay, annual cash incentive compensation, long-term incentive compensation and our severance benefit protections) are comparable to the programs offered by other companies of our size in the pharmaceutical industry; therefore, our compensation program generally helps us attract new executive talent and retain, motivate, and reward the executives that we currently employ.

The annual cash incentive program rewards executives for the satisfaction of our pre-established annual corporate performance goals. Compensation under this program directly rewards satisfaction of our corporate objectives and individual performance. We provide this program so that our executives will focus their efforts on annual company goals that are driven by our longer-term strategy, and to take actions that maximize shareholder value. Our Compensation Committee rewards executives only in the event of satisfactory corporate and individual performance.

Long-term incentive awards serve several purposes: first, they are a retention device, because the executive must continue employment with us for the awards to vest; and second, our PSU and Cash LTIP awards that vest upon satisfaction of corporate performance goals incentivize our executives to satisfy key performance objectives that will maximize shareholder value and long-term equity incentive awards that vest over time become more valuable as shareholder value increases.

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Base Salary

Base salaries for our executives are established based on the scope of their responsibilities, individual experience and market factors. Base salaries are generally reviewed annually, typically in connection with our annual performance review process. In August 2015, the Compensation Committee, after referencing the 50th percentile of base salary compensation provided to individuals in similar positions at the peer group companies and considering other factors, approved base salary increases for each of Messrs. Walbert, Carey and Hoelscher which became effective August 16, 2015. In making such determination, the Compensation Committee considered that their base salary levels were all positioned below the 50th percentile of base salary compensation provided to individuals in similar positions at the peer group companies. The Compensation Committee did not approve a similar base salary increase for Mr. Kody effective in August 2015 because he had been hired in November 2014.

In connection with the promotion of Mr. Hampton to the executive team in August 2015, our Compensation Committee considered his previous annual base salary of $300,000 established in connection with his initial employment, his increased responsibilities in connection with his promotion, the base salaries for similarly situated executives at our peer companies, as well as internal pay equity. Based on its evaluation of these factors, our Compensation Committee determined that an annual base salary of $450,000 was appropriate for Mr. Hampton effective on his date of promotion.

Base salaries for each of our named executive officers as of the end of 2015 were as follows:

Named Executive Officer	2015 Base Salaries
Timothy P. Walbert	$ 950,000
Robert F. Carey	$ 500,000
Paul W. Hoelscher	$ 500,000
John J. Kody	$ 427,000
George P. Hampton	$ 450,000

Short-Term Incentive Compensation

2015 Annual Cash Incentive Compensation. In addition to base salaries, we provide performance-based cash bonuses as an incentive for our executives to achieve defined annual corporate goals. The 2015 target cash bonus as a percentage of the base salaries for Messrs. Walbert, Carey, Hoelscher and Kody were not increased from the 2014 target levels. A target cash bonus of 50% of base salary was established for Mr. Hampton in connection with his promotion pursuant to the terms of his employment agreement, which was approved by the Compensation Committee. These established target bonus percentages were deemed market competitive based on Radford survey data and peer group data available at the time of hire of the executive officers and based on other then-current data, and with respect to Mr. Hampton, after considering internal pay equity. Bonus target percentages are reviewed annually and may be adjusted by the Board of Directors or the Compensation Committee, in its discretion, although pursuant to their respective employment agreements, such percentages may not be reduced without the consent of the executive.

Target cash bonus opportunities for 2015 as a percentage of base salary for each of our named executive officers were as follows:

Named Executive Officer	2015 Target Bonus as Percentage of Base Salary
Timothy P. Walbert	100%
Robert F. Carey	50%
Paul W. Hoelscher	50%
John J. Kody	50%
George P. Hampton	50%

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In November 2014, the Compensation Committee, in consultation with management, approved the 2015 corporate goals and milestones for the executive officers. Each of these corporate objectives and milestones was assigned a certain weight, with 2015 bonus payments to be determined based on achievement of the various objectives. Final determinations as to 2015 bonus levels would be generally based on the achievement of these corporate goals or milestones, as well as the Compensation Committee s assessment as to each executive s contribution to the overall development of our business and corporate accomplishments during 2015.

The 2015 quantitative and qualitative corporate objectives established as guidelines at the end of 2014 by the Compensation Committee and their relative weightings were:

Quantitative Objectives (80%)

- Achieve total net sales of $512 million (27.5%).
- Achieve Adjusted EBITDA (non-GAAP) of $216 million (27.5%).
- Acquire new product(s) with expected annual net revenues of $150 million (25%).

Qualitative Objectives (20%)

- Ensure corporate culture of compliance by achieving our corporate objectives while operating in a fully compliant manner (10%).
- Continue to build organization through recruitment and retention of key talent and providing opportunities for development and advancement of organization (5%).
- Ensure any product and/or company acquisitions are integrated seamless to achieve board-approved deal financial models (5%).

The Compensation Committee determined that with respect to the quantitative objectives, the minimum and maximum performance levels and corresponding payout levels would be as follows, with a maximum payout level of 200% with respect to each objective as specified in the table below:

Quantitative Objective	Percent of Target Bonus	75% Payout (Minimum Level of Objective)*	100% Payout (100% of Objective)*	125% Payout*	150% Payout*	200% Payout (Maximum Level)*
Total Net Sales	27.5%	$ 450	$ 512	$ 530	$ 550	$ 570
Adjusted EBITDA	27.5%	$ 189	$ 216	$ 223	$ 232	$ 240
Acquire New Medicines	25.0%	$ 100	$ 150	$ 200	$ 250	$ 300

* All dollar amounts in the table above are in the millions.

The Compensation Committee recommended and the Board of Directors approved these goals because they believed that these objectives were the best indicators of the achievement of the execution of our operating plan and were the factors that were most critical to increasing total shareholder value. These goals, therefore, were determined to be the most well suited to align the financial interests of the named executive officers with those of our shareholders. In February 2016, the Compensation Committee determined that these 2015 quantitative corporate objectives had been attained at an aggregate level of 176.6% of the targeted levels and that the 2015 qualitative objectives had been attained at 100% of the targeted levels, resulting in an overall aggregate achievement of 161.3% for all corporate objectives. The Compensation Committee determined that 2015 bonus award levels would be generally determined based on the level of attainment of the foregoing 2015 quantitative and qualitative corporate objectives, with potential downward adjustments made to reflect the personal contributions of individual executives in helping to attain those objectives and the overall development of our business and corporate accomplishments during 2015.

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In determining their applicable 2015 performance bonus award levels the Compensation Committee considered the personal contributions that the named executive officers had made in attaining the following transformative results during 2015:

Outperformed our 2015 net sales bonus target by 48% ($757 million vs. $512 million), while completing the Hyperion acquisition and entering into the agreement to acquire Crealta.

Achieved total shareholder return of 68%, significantly outperforming our peer group.

Outperformed our Adjusted EBITDA target by 81% ($392 million vs. $216 million in Adjusted EBITDA).[1]

Raised $1.75 billion in capital through four successful debt and equity offerings, significantly lowering our average cash interest rate.
Acquired new medicines with expected annual net revenues of $220 million.

Seamlessly added approximately 300 new employees.

Significantly increased the breadth and depth of our management team with the addition of George P. Hampton, John B. Thomas and Geoffrey M. Curtis in senior management and filled multiple vice president level positions.

Expanded network of independent pharmacies working with HorizonCares from 5-6 to approximately 25 in the fourth quarter.

(1) In February 2015, we revised our Adjusted EBITDA calculation methodology to include a reduction for actual royalties incurred, which resulted in $362 million of Adjusted EBITDA in 2015. Under the prior methodology which excluded actual royalties incurred (which was used to develop the 2015 Adjusted EBITDA bonus targets), our 2015 Adjusted EBITDA would have been $392 million.

In February 2016, based on management s recommendations and the Compensation Committee s own review, deliberation and determination of achievement of the corporate objectives and milestones listed above, along with determination of the named executive officers individual contributions toward meeting those objectives and milestones described above, the Compensation Committee approved cash bonus awards for our named executive officers as follows, which were paid in March 2016:

Named Executive Officer	**2015 Awarded Performance Bonus**	**Approximate Percentage of 2015 Target Bonus Awarded**
Timothy P. Walbert	$ 1,532,350	161.3%
Robert F. Carey	$ 403,250	161.3%
Paul W. Hoelscher	$ 403,250	161.3%
John J. Kody*	$ 213,500	100.0%
George P. Hampton	$ 362,925	161.3%

*

Mr. Kody was eligible to receive his 2015 performance bonus award at target level as part of his severance benefits under the terms of his employment agreement.

Long-Term Incentive Compensation

Cash Long-Term Incentive Program. In November 2014, we adopted our Cash LTIP, which is intended to provide significant economic incentives for our executive team to create significant long-term shareholder value by tying the program payout levels to our applicable level of TSR over the designated performance period of November 5, 2014 through May 6, 2015 and to also require a minimum level of TSR over a three-year period ending on November 5, 2017 as a general condition to payment of any amounts under the Cash LTIP. For such purposes, TSR means the percentage change in the price of the Company s ordinary shares on a compounded annualized basis plus the dollar value of dividends and distributions made or declared, divided by the closing price of the Company s ordinary shares on the record date of the dividends and distributions.

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Each of our named executive officers other than Mr. Hampton was designated as a participant in the Cash LTIP. To earn a Cash LTIP bonus, the named executive officer must remain employed by us through November 4, 2017 unless the earlier departure from employment is due to death, disability, termination without cause or a change in control transaction. Bonus payments under the Cash LTIP, if any, will be made after November 4, 2017 unless a change in control occurs prior to such date.

Participants in the Cash LTIP are eligible for a specified cash bonus, the amount of which bonus was determined by whether our total compounded annualized TSR for the period from November 5, 2014 through May 6, 2015 was greater than or equal to a specified threshold ranging between 15% and 60%, calculated using the 20-trading-day volume weighted average trading price of our ordinary shares (20-day VWAP), on each of November 5, 2014 and May 6, 2015. However, the Cash LTIP bonus will be earned and payable only if the TSR for the period from November 5, 2014 to November 4, 2017 is greater than 15%. The TSR for the period from November 5, 2014 to November 4, 2017 will be calculated using the 20-day VWAP on each of November 5, 2014 and November 4, 2017. The 20-day VWAP on November 5, 2014 was $12.08. Therefore, if the 20-day VWAP as of November 4, 2017 is less than or equal to $18.37, the TSR for the period from November 5, 2014 to November 4, 2017 would not be greater than 15%, and no bonuses would be paid under the Cash LTIP. The ordinary share price thresholds above do not take into account possible dividends during the measurement period.

Our 20-day VWAP as of May 6, 2015 was $29.69, which resulted in an annualized TSR from November 5, 2014 through May 6, 2015 greater than 60% (a 20-day VWAP as of May 6, 2015 of $15.28 would equate to annualized TSR of 60%), resulting in an eligible total bonus pool value of approximately $16.5 million as of May 6, 2015. The applicable potential payout levels to our named executive officers under the Cash LTIP are as follows:

Named Executive Officer	**Potential Cash LTIP Bonus**	
Timothy P. Walbert	$	4,541,000
Robert F. Carey	$	1,566,000
Paul W. Hoelscher	$	1,566,000
John J. Kody*	$	1,566,000
George Hampton		n/a

* Mr. Kody remains eligible to receive his potential Cash LTIP bonus under the terms of the Cash LTIP although he was terminated on January 8, 2016.

2015 Equity Incentives. In March 2015, the Compensation Committee granted stock options and RSUs subject to time-based vesting (the Time-Based Grants) and PSUs to our named executive officers (March 2015 Equity Awards). The Compensation Committee granted the March 2015 Equity Awards in order to recognize the outstanding stock performance and significant value delivered to shareholders over the past several years, and more recently since the Vidara transaction, as well as to provide incentives going forward that continue to align our executive and shareholder interests. The Time-Based Grants and PSUs were up-front grants intended to cover the next three years of equity grants for the executive team. The Time-Based Grants also recognized the fact that, due to management s low ownership relative to our peer group, management has not had the opportunity to share in the value created to date consistent with competitive market practice.

The Compensation Committee considered that, as of March 2015, the Company s performance had been outstanding, with significant returns delivered to shareholders over time, specifically:

72% stock price appreciation year-to-date in 2015 through March 23, 2015.

79% stock price appreciation since the close of the Vidara transaction.

850% total stock price appreciation since January 1, 2013, or approximately 160% compound annual stock price appreciation.

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At the same time, prior to March 2015, the executive team s ownership was generally below the 25th percentile of the peer group and, in case of the Chief Executive Officer, was significantly below the 25th percentile, and therefore executives had not had the full opportunity to share in the value delivered to shareholders.

	Horizon Pharma		Peer Group Ownership	
	Pre-March 2015 Ownership(1)		25th	50th
Named Executive Officer	**Shares**	**% of Diluted OSO(2)**	**Percentile**	**Percentile**
Timothy P. Walbert	1,366,643	0.8%	1.6%	2.5%
Robert F. Carey	427,678	0.3%	0.3%	0.5%
Paul W. Hoelscher	170,000	0.1%	0.2%	0.4%
John J. Kody	203,900	0.1%	n/a(3)	n/a(3)
George P. Hampton(4)	n/a	n/a	n/a	n/a

(1) Horizon Pre-March 2015 Ownership includes shares held directly, exercisable and unexercisable stock options and unvested stock units.
(2) Based on 165,378,725 diluted ordinary shares outstanding (Diluted OSO) as of March 20, 2015 (includes (i) outstanding shares, (ii) potential shares to be issued from outstanding stock options, stock units and warrants and (iii) potential shares to be issued from outstanding convertible notes and exchangeable notes).
(3) Data is not available for the comparable management role at peer companies.
(4) Mr. Hampton was not included in this analysis as he did not join the company until April 2015.

The compensation committee approved the March 2015 Equity Awards to our executives, to achieve the following objectives:

- Set executive officers ownership at more market-competitive levels, reward for performance achieved to date and continue to align executives with future value creation through time-vested equity grants in a combination of stock options and RSUs. See *Time-Based Equity Grants* below for further discussion.

- Provide executives an additional performance-based equity opportunity tied to delivering future total shareholder returns over the next three years at levels above expected market rates of return through a grant of PSUs. See *Performance Share Unit Awards* below for further discussion.

Time-Based Equity Grants. The following table reflects the number of stock options and RSUs subject to the Time-Based Grants. These grant amounts were set to provide our named executive officers with more competitive ownership levels, using the 50th percentile of our peer group as a reference point. Except for a portion of Mr. Walbert s stock option, which were granted contingent upon shareholder approval of the 2014 Plan at the 2015 Annual General Meeting, and Mr. Hampton s stock option grants, all the stock options were granted effective March 23, 2015 and have an exercise price per share of $22.14, which was the closing share price on the grant date. Mr. Walbert s stock options were granted effective March 23, 2015 with respect to 1,050,000 shares subject to the option and, because of the Section 162(m) limits on annual grants of options contained in the 2014 Plan, 1,650,000 shares subject to the option were granted effective May 6, 2015, upon shareholder approval of the 2014 Plan, and have an exercise price of $28.53, which was the closing share price on May 6, 2015. Subject to continued service, the stock options vest 25% on the first anniversary of the date of grant and thereafter in 36 equal monthly installments and the RSUs vest in four equal annual installments commencing on the first anniversary of the date of grant.

In April and May 2015, as an inducement to his commencement of employment as our Group Vice President, General Manager, International Operations and as part of his new-hire compensation package, Mr. Hampton was granted stock options with respect to 37,000 ordinary shares and RSUs with respect to 28,000 ordinary shares. In connection with his promotion to Executive Vice President, Orphan Business Unit and

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International Operations in August 2015, Mr. Hampton also received grants of an additional 200,000 stock options and an additional 75,000 RSUs to reflect his increased responsibilities and so that his total equity award levels would be consistent with those provided to our other Executive Vice Presidents. All of Mr. Hampton s stock options have an exercise price equal to the closing share price on the grant date. Subject to continued service, Mr. Hampton s stock options vest 25% on the first anniversary of the date of grant and thereafter in 36 equal monthly installments and the RSUs vest in four equal annual installments commencing on the first anniversary of the date of grant.

	Time-Based Grants		Pro Forma Ownership		Peer Group Ownership Percentile		
Named Executive Officer	**Options**	**RSUs**	**Shares**	**% of Diluted OSO(1)**	**25th**	**50th**	**75th**
Timothy P. Walbert	2,700,000	500,000	4,566,643	2.6%	1.6%	2.5%	3.1%
Robert F. Carey	276,000	124,000	827,678	0.5%	0.3%	0.5%	0.8%
Paul W. Hoelscher	276,000	124,000	570,000	0.3%	0.2%	0.4%	0.7%
John J. Kody(2)	276,000	124,000	603,900	0.3%	n/a(3)	n/a(3)	n/a(3)
George P. Hampton	237,000	103,000	405,000	0.2%(4)	n/a(3)	n/a(3)	n/a(3)

(1) Based on 172,819,725 Diluted OSO as of March 23, 2015 (includes (i) outstanding shares, (ii) potential shares to be issued from outstanding stock options, RSUs and warrants, (iii) potential shares to be issued from outstanding convertible notes and exchangeable notes and (iv) the Time-Based Grants, including grants subject to shareholder approval).

(2) Under the terms of the 2014 Plan and Mr. Kody s employment agreement, as a result of his termination of employment on January 8, 2016, all of these Time-Based Grants made to Mr. Kody were cancelled without any value realized.

(3) Data not available for the comparable management role at peer companies.

(4) Based on 173,224,725 Diluted OSO, which includes the 172,819,725 Diluted OSO as of March 23, 2015 plus Mr. Hampton s grants of 405,000 shares during 2015.

Performance Share Unit Awards. In order to further align our leadership team with delivering outstanding returns to shareholders, in March 2015 the Compensation Committee granted PSUs to our leadership team members, which is a group of approximately 40 employees who serve at the chief executive officer, executive vice president, senior vice president, group vice president and vice president levels, including our named executive officers. The PSUs are intended to provide significant economic incentives for our leadership team to create significant long-term shareholder value by tying the PSU vesting levels to significant total shareholder return hurdles over a three-year performance period commencing March 23, 2015. Specifically, the TSR during the three-year performance period starting on March 23, 2015 must be at least 15% compounded annually (implied 20-day VWAP) of at least $32.70 on March 22, 2018) in order for any portion of the PSUs to vest and must be at least 60% compounded annually (implied 20-day VWAP of at least $88.06 on March 22, 2018) for the maximum amount of PSUs to vest, as shown in the table below.

TSR will be measured using a base price of $21.50, which is equal to the 20-day VWAP ending on March 23, 2015, the date of grant. TSR will be measured through three separate ending measurement dates occurring on December 22, 2017, March 22, 2018, and June 22, 2018. One-third of the target PSU will be measured at each measurement date and the PSU vesting level will be determined pursuant to the schedule below based on the compound annual TSR from March 23, 2015 through the applicable measurement date. To the extent that the compound annual TSR falls between the levels shown on the chart below, straight-line interpolation will be applied to determine the number of PSUs to vest. If the compound annual TSR falls below the 15% threshold hurdle as determined on each of the measurement dates, and no earlier change in control has occurred prior to such measurement dates, the PSUs measured on those dates will be forfeited in their entirety. For purposes of measurement of the PSUs, TSR means the percentage change in the price of the Company s ordinary shares on a compounded annualized basis, plus the value of reinvested dividends.

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The implied future 20-day VWAP to achieve the TSR performance hurdles are shown in the table below:

Three-Year Compound Annual TSR	Implied 20-day VWAP on March 22, 2018 (Assuming No Dividends)	Implied Total Market Value (Assuming 165.4 million Diluted OSO)	PSU Payout as a Multiple of Target Award
Less than 15%	Less than $32.70	Less than $5.4 billion	No award earned *(all PSUs cancelled)*
15%	$32.70	$5.4 billion	1X Target Award
30%	$47.24	$7.8 billion	2X Target Award
45%	$65.55	$10.8 billion	3X Target Award
60% or greater	Greater than or equal to $88.06	$14.6 billion	4X Target Award

In determining the PSU levels granted to our executive officers, the compensation committee considered the overall increase in our total market value that would be necessary to achieve the applicable PSU vesting levels and amounts that would be sufficient to reward our executive officers for exerting extraordinary efforts to increase our value. For example, in order for the maximum PSUs to vest, our total shareholder return from March 23, 2015 to March 22, 2018 would have to equal at least 60% (implied 20-day VWAP of $88.06 on March 22, 2018), resulting in an overall increase in our value of approximately $10.9 billion during such period (based on a 20-day VWAP of $21.50 on March 23, 2015 and assuming no change in Diluted OSO). As a further illustration of the extraordinary results that would have to be achieved in order for the PSUs to vest, during each three-year period within the span of 2004 through 2015, among biopharmaceutical companies with market capitalizations greater than $2.0 billion, in over 71% of the total measurements, the compound annual TSR was below 15%, which would have resulted in zero vesting under the Company s PSU program. Of the same measurements, only 1.3% had a compound annual TSR of 60% or higher, which is the threshold for the full value of the Company s PSUs to be delivered. The compensation committee determined that such compensation levels would be appropriate for our executive officers in the event that we meet these aggressive performance goals. The PSU levels and resulting pro forma ownership for each of our named executive officers are as follows:

	Compound Annual TSR at Each TSR Hurdle Rate												
	< 15% TSR (Implied Price <$32.70)		15% TSR (Implied Price =$32.70)		30% TSR (Implied Price =$47.24)		45% TSR (Implied Price =$65.55)		60% TSR (Implied Price =$88.06)		Peer Group Ownership Percentiles		
Named Executive Officer	Total PSUs Earned	Pro Forma Ownership % of Diluted OSO[(1)]	Total PSUs Earned	Pro Forma Ownership % of Diluted OSO[(1)]	Total PSUs Earned	Pro Forma Ownership % of Diluted OSO[(1)]	Total PSUs Earned	Pro Forma Ownership % of Diluted OSO[(1)]	Total PSUs Earned	Pro Forma Ownership % of Diluted OSO[(1)]	25th	50th	75th
Timothy P. Walbert		2.6%	675,000	3.0%	1,350,000	3.3%	2,025,000	3.6%	2,700,000	4.0%	1.6%	2.5%	3.1%
Robert F. Carey		0.5%	233,000	0.6%	466,000	0.7%	699,000	0.8%	932,000	1.0%	0.3%	0.5%	0.8%
Paul W. Hoelscher		0.3%	233,000	0.5%	466,000	0.6%	699,000	0.7%	932,000	0.8%	0.2%	0.4%	0.7%
John J. Kody[(2)]		0.3%	233,000	0.5%	466,000	0.6%	699,000	0.7%	932,000	0.8%	n/a[(3)]	n/a[(3)]	n/a[(3)]
George P. Hampton[(4)]		0.2%[(5)]	233,000	0.5%[(5)]	466,000	0.6%[(5)]	699,000	0.7%[(5)]	932,000	0.8%[(5)]	n/a[(3)]	n/a[(3)]	n/a[(3)]

(1) Pro forma ownership % of Diluted OSO based on (a) pro forma ownership, which includes shares held directly, exercisable and unexercisable stock options, and unvested RSUs, including the Time-Based Grants, and PSUs corresponding with the TSR level of achievement shown in the table above, divided by (b) Diluted OSO, which includes 172,819,725 potentially Diluted OSO as of March 23, 2015 which includes the Time-Based Grants, as well as PSUs corresponding with the TSR level of achievement shown in the table above.

(2) Under the terms of the PSUs, as a result of the termination of Mr. Kody s employment on January 8, 2016, Mr. Kody retains a pro-rated amount (one-fourth) of the PSUs based on the nine full months he was employed during the 36-month performance period. Mr. Kody retains the rights to the following amount of PSUs subject to attainment of the applicable TSR level: 58,250 PSUs at 15% TSR, 116,500 PSUs at 30% TSR, 174,750 PSUs at 45% TSR and 233,000 PSUs at 60% TSR.

(3) Data not available for the comparable management role.

(4) A portion of Mr. Hampton s PSUs (200,000 target level PSUs) were granted to him in August 2015 in connection with his promotion.

(5) Based on 173,224,725 Diluted OSO, which includes the 172,819,725 Diluted OSO as of March 23, 2015 plus Mr. Hampton s grants of 405,000 shares during 2015.

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The Compensation Committee determined that the PSUs are aligned with shareholder interests and support a strong pay-for-performance orientation. The design of the PSUs, with aggressive TSR hurdles (15% minimum and 60% max), strongly aligns management with continuing to deliver outstanding returns to shareholders over the next three years. If these aggressive TSR hurdles are met, the increase in our share price will deliver a significant increase in our total shareholder value as shown in the following table:

Horizon Pharma Total Outstanding Equity Grants

Date	Required Share Price Achievement(1)	Implied Total Market Value (Billions)(2)	Total Outstanding Equity Grants (Millions)(3)	% of Diluted OSO(4)	Estimated Percentile Rank Relative to Peers
Prior to 3/23/2015	n/a	$ 3.7	9.1	5.5%	5th
With 3/23/2015 Time-Based Grants	$ 22.14 (for options)	$ 3.7	16.6	9.6%	52nd
With 3/23/2015 Time-Based Grants + TSR Grants at 1x	$ 32.70	$ 5.4	19.2	11.0%	69th
With 3/23/2015 Time-Based Grants + TSR Grants at 2x	$ 47.24	$ 7.8	21.9	12.3%	80th
With 3/23/2015 Time-Based Grants + TSR Grants at 3x	$ 65.55	$ 10.8	24.5	13.6%	82nd
With 3/23/2015 Time-Based Grants + TSR Grants at 4x	$ 88.06	$ 14.6			