

ALLERGAN INC
Form DEF 14A
March 24, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

Allergan plc

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than Registrant)

Payment of Filing Fee (Check the appropriate box):

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Notice of 2017 Annual General

Meeting of Shareholders

May 4, 2017

8:30 a.m. local time

The Conrad Hotel, Earlsfort Terrace, Dublin 2, Ireland

You are hereby notified that the 2017 Annual General Meeting of Shareholders (the *Annual Meeting*) of Allergan plc (the *Company*) will be held at The Conrad Hotel, Earlsfort Terrace, Dublin 2, Ireland, at 8:30 a.m. local time on May 4, 2017, to receive the Company's Irish statutory financial statements for the fiscal year ended December 31, 2016 and the reports of the directors and auditors thereon, to review the affairs of the Company and to consider and vote on the following proposals:

1. Proposal No. 1: To re-appoint by separate resolutions Nesli Basgoz, M.D., Paul M. Bisaro, James H. Bloem, Christopher W. Bodine, Adriane M. Brown, Christopher J. Coughlin, Catherine M. Klema, Peter J. McDonnell, M.D., Patrick J. O'Sullivan, Brenton L. Saunders, Ronald R. Taylor and Fred G. Weiss as members of the Board of Directors to hold office until the 2018 Annual General Meeting of Shareholders or until each of their respective successors is duly elected and qualified;
2. Proposal No. 2: To approve, in a non-binding vote, Named Executive Officer compensation;
3. Proposal No. 3: To recommend, in a non-binding vote, whether a shareholder vote to approve the compensation of the Company's Named Executive Officers should occur every one, two or three years;
4. Proposal No. 4: To ratify, in a non-binding vote, the appointment of PricewaterhouseCoopers LLP as the Company's auditor for the fiscal year ending December 31, 2017 and to authorize, in a binding vote, the Board of Directors, acting through its Audit and Compliance Committee, to determine PricewaterhouseCoopers LLP's remuneration;
5. Proposal No. 5: To approve the material terms of the performance goals for the purposes of Section 162(m) under the Allergan plc 2017 Annual Incentive Compensation Plan;
6. To consider a shareholder proposal regarding an independent Board Chairman (Proposal No. 6), as detailed in the Proxy Statement, if properly presented at the meeting; and to transact such other business as may properly come before the Annual Meeting or any adjournment, postponement or continuation thereof.

The Board of Directors has fixed 4:00 p.m. Eastern Standard Time on March 8, 2017 as the record date for the determination of shareholders entitled to receive notice of and to attend, speak and vote at the Annual Meeting. Only shareholders of record at 4:00 p.m. Eastern Standard Time on March 8, 2017 will be entitled to receive notice of and to attend, speak and vote at the Annual Meeting or any adjournment, postponement or continuation thereof. Your attention is directed to the Proxy Statement for more complete information regarding the matters to be acted upon at the Annual Meeting.

The Board of Directors recommends that you vote **FOR** each director nominee included in Proposal No. 1, **FOR** Proposal No. 2, **ONE YEAR** for Proposal No. 3 and **FOR** Proposals No. 4 and 5. The Board of Directors recommends that you vote **AGAINST** Proposal No. 6. The full text of these proposals is set forth in the accompanying Proxy Statement.

The Proxy Statement and 2016 Annual Report to Shareholders are available at www.proxyvote.com. Our Irish statutory financial statements will be available at www.proxyvote.com on or before April 12, 2017.

You are encouraged to attend the Annual Meeting, where you will have the option to vote your shares in person.

Whether or not you plan to attend the Annual Meeting, we encourage you to vote your shares: (i) by 3:59 p.m. Eastern Daylight Time on May 3, 2017 by accessing the Internet site described in the Notice Regarding the Availability of Proxy Materials previously provided to you, (ii) by 3:59 p.m. Eastern Daylight Time on May 3, 2017 by calling the toll-free telephone number listed on www.proxyvote.com or on the voter instruction form, proxy card or Notice Regarding the Availability of Proxy Materials previously provided to you, or (iii) by marking, dating and signing any proxy card or voter instruction form provided to you and returning it in the accompanying postage paid envelope, which we must receive by 10:00 a.m. Eastern Daylight Time on May 1, 2017. All proxies will be forwarded to the Company's registered address electronically.

A shareholder entitled to attend and vote at the Annual Meeting is entitled, using the form provided (or the form in section 184 of the Irish Companies Act 2014), to appoint one or more proxies to attend, speak and vote instead of him or her at the Annual Meeting. A proxy need not be a shareholder of record.

By Order of the Board of Directors

March 24, 2017

Dublin, Ireland

A. Robert D. Bailey
Chief Legal Officer and Corporate Secretary

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To Our Shareholders:

2016 was a year of tremendous transformation for Allergan as we evolved into a focused global biopharmaceutical growth company. Throughout this transition, we have remained engaged with our investors, focused on actions that drive long-term value creation and committed to strong corporate governance practices.

Business Strategy. We have continued our development as a bold, global pharmaceutical company and a leader in Growth Pharma. We deliver innovative therapies that create long-term shared value for our shareholders, our customers and our patients. With the completion in August of the divestiture of our global generics business to Teva, we have transformed our Company into a growth-oriented, branded pharmaceutical company with industry-leading profitability and a robust, innovative pipeline. Throughout our transformation, we have been relentlessly focused on operating effectively and deploying capital in a way that maximizes shareholder value creation. We made great strides this past year, including maintaining leadership in key therapeutic areas and sustaining industry leading operating margins, positioning us to continue this momentum as we look forward.

Shareholder Engagement. Following our 2016 Annual General Meeting of Shareholders, our Board of Directors undertook a broad initiative to deepen relationships with our shareholders to help inform discussions on a number of issues, including our governance, Board leadership, compensation and sustainability practices. While our management team has longstanding relationships with our investors, we developed a more comprehensive shareholder engagement program, led by our Board of Directors. Over the course of the fall, members of our management team, and often Chris Coughlin, our Lead Independent Director, and Chris Bodine, the Chair of our Nominating and Corporate Governance Committee, met with shareholders representing approximately 37% of the Company's outstanding ordinary shares. The conversations we had as part of this shareholder engagement provided us with a deeper understanding of the perspectives of our shareholders and helped inform recent Board decisions. We look forward to making this engagement a regular component of our governance program going forward.

Governance Enhancements and Board Refreshment. During our discussions with our shareholders this past year, our shareholders emphasized the importance of robust independent leadership in the boardroom. In response, our Board spent substantial time debating the optimal leadership structure of our Company and concluded that the enumerated responsibilities of our Lead Independent Director role should be strengthened to better achieve that goal. In October 2016, the independent members of the Board elected Chris Coughlin as Lead Independent Director, and subsequently, we formally published our new and enhanced Lead Independent Director responsibilities. Shareholders have been highly supportive of this enhancement. We believe that our Board leadership structure, with Brent Saunders as our Chairman and Chris Coughlin as our Lead Independent Director, is

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the optimal structure for our Company at this time and will best allow us to create value for our shareholders as we continue on our path of transformation.

In addition, we recently added a new, highly qualified director to our Board. Adriane Brown joins our Board with a wealth of directly applicable experience, including a proven track record of developing and growing technologies and products across a network of global R&D centers and manufacturing plants. This continues our strong history of adding directors to our Board who bring a diversity of deep and valuable experiences to our business. Over the last four years we have added seven new directors, helping to further enhance a collective Board skillset that is well-suited to our industry and our strategic objectives.

Social Contract with Patients. Our Company has been a leader within the pharmaceutical industry by pledging to price treatments in a way that makes them accessible and affordable to patients while intensely monitoring their quality and safety, and educating physicians on their proper use. We call this commitment our Social Contract with Patients. The Social Contract recognizes that a company doing the hard, long and risky work of bringing new medicines to market has to price life-enhancing medicines in a way that fulfills its responsibilities to patients which, in turn, makes its business stronger and fuels its ability to generate return for its shareholders. Our Board is proud to support our Company's pursuit of medical innovation and commitment to patients and recognizes the strong connection between the Social Contract and the role it plays in the corporate governance of the Company.

Our Board appreciates the trust that you place in us to be stewards of your company. We remain fully committed to serving patients who rely on our products, delivering sustainable operating results, and creating value for our shareholders.

Sincerely,

Brenton L. Saunders

Chairman, President and

Chief Executive Officer

Christopher J. Coughlin

Lead Independent Director

March 24, 2017

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Presentation of Irish Statutory Financial Statements

The Irish statutory financial statements of Allergan plc (referred to in this Proxy Statement as *Allergan*, the *Company*, *we*, *us* or *our*) for the fiscal year ended December 31, 2016, including the reports of the directors and auditors thereon will be presented at our 2017 Annual General Meeting of Shareholders (the *Annual Meeting*). There is no requirement under Irish law that such statutory financial statements be approved by shareholders, and no such approval will be sought at the Annual Meeting. The Company's 2016 Irish statutory financial statements will be available with the Proxy Statement and the 2016 Annual Report to Shareholders at www.proxyvote.com on or before April 12, 2017.

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Proxy Statement Executive Summary

We provide below highlights of certain information contained in this Proxy Statement. This summary does not contain all of the information that you should consider in advance of the Annual Meeting, and we encourage you to read the entire Proxy Statement before voting.

2017 Annual General Meeting of Shareholders

Date and Time: May 4, 2017, 8:30 a.m. local time
Place: The Conrad Hotel, Earlsfort Terrace, Dublin 2, Ireland
Record Date: March 8, 2017

How to Cast Your Vote

Your vote is very important. We encourage you to vote your shares and to submit your proxy regardless of whether or not you plan to attend the Annual Meeting. If you properly give your proxy and submit it to us by the voting deadlines described in this section of the Proxy Statement, one of the individuals named as your proxy will vote your shares as you have directed.

Shareholders of Record

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

By Telephone or over the Internet.

You may submit your proxy by calling the toll-free telephone number noted on your proxy card or Internet Notice. Telephone proxy submission is available 24 hours a day and will be accessible until 3:59 p.m. Eastern Daylight Time on May 3, 2017. Easy-to-follow voice prompts allow you to submit your proxy and confirm that your instructions have been properly recorded.

You also may choose to vote over the Internet. The website for Internet voting is noted on your proxy card or Internet Notice. Internet voting is also available 24 hours a day and will be accessible until 3:59 p.m. Eastern Daylight Time on May 3, 2017. As with telephone proxy submission, you may confirm that your

instructions have been properly recorded.

Shareholders who vote through the Internet or submit their proxy by telephone should be aware that they may incur costs to access the Internet or use the telephone, such as usage charges from telephone companies or Internet service providers, and that these costs must be borne by the shareholder.

By Mail.

If you received a paper copy of the proxy card by mail and choose to vote by mail, please mark your proxy card, date and sign it, and promptly return it in the postage-paid envelope provided. We must receive your signed proxy card by 10:00 a.m. Eastern Daylight Time on May 1, 2017.

In Person at the Annual Meeting.

You may vote in person by attending the Annual Meeting and submitting a ballot. In order to be admitted into the Annual Meeting, you must present your proof of ownership of Allergan ordinary shares, government-issued photo identification and, if you are not the actual holder of record of Allergan ordinary shares, proof that you are duly authorized to vote such shares on behalf of the record holder.

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If your shares are held in a brokerage account or by another nominee, you are considered to be the beneficial owner of shares held in street name, and these proxy materials, together with a voting instruction card, are being forwarded to you by your broker, bank or other nominee. As the beneficial owner of the shares, you have the right to direct your broker, bank or other nominee how to vote. You are also invited to attend the Annual Meeting, but because you are not the shareholder of record, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy giving you the right to vote your shares at the Annual Meeting from the broker, bank or other nominee holding your shares in street name, and you will need to present the legal proxy and a government-issued photo identification in order to be admitted into the Annual Meeting.

If your shares are held in street name, your broker, bank or other nominee has enclosed or provided voting instructions for you to use in directing the broker, bank or other nominee how to vote your shares.

Voting Matters and Board Recommendations

Voting Matter	Shareholder Approval	Board of Directors Recommendation	Page Reference
Proposal No. 1:			
To individually re-appoint each of the 12 director nominees as members of the Board of Directors to hold office until the 2018 Annual General Meeting of Shareholders or until each of their respective successors is duly elected and qualified.	Majority of Votes Cast for Each Nominee	FOR EACH NOMINEE	11
Proposal No. 2:			
To approve, in a non-binding vote, Named Executive Officer compensation.	Majority of Votes Cast	FOR	43
Proposal No. 3:			
To recommend, in a non-binding vote, whether a shareholder vote to approve the compensation of the Company's Named Executive Officers should occur every one, two or three years.	Majority of Votes Cast	ONE YEAR	75
Proposal No. 4:			
			76

To ratify, in a non-binding vote, the appointment of PricewaterhouseCoopers LLP as the Company's auditor for the fiscal year ending December 31, 2017 and to authorize, in a binding vote, the Board of Directors, acting through its Audit and Compliance Committee, to determine PricewaterhouseCoopers LLP's remuneration.

Proposal No. 5:

To approve the material terms of the performance goals for the purposes of Section 162(m) under the Allergan plc 2017 Annual Incentive Compensation Plan.

Proposal No. 6:

Shareholder proposal regarding an independent Board Chairman.

Majority of
Votes Cast

FOR

Majority of
Votes Cast

FOR

Majority of
Votes Cast

AGAINST

80

83

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2017 NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

Performance Highlights

In 2016, Allergan experienced another year of tremendous transformation as we continued to build the Company into a focused global biopharmaceutical growth company. We focused on operational excellence and revisited our capital allocation strategy to ensure that we are deploying capital in a way that maximizes shareholder value creation. The strong operational foundation we have built, as highlighted below, puts us on solid footing to maximize our value.

**2016: A YEAR OF TRANSFORMATION WHILE
MAINTAINING STRONG BUSINESS PERFORMANCE**

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**2017 ANNUAL PROXY
STATEMENT**

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In addition, Allergan's five-year total shareholder return has exceeded that of the S&P 500 index and the NYSE ARCA Pharmaceutical Index (DRG), as demonstrated by the chart on page 46, although in 2016, relative to previous years of outperformance, Allergan's total shareholder return was initially positively impacted by the planned merger of Pfizer and Allergan, and then negatively impacted by the subsequent termination of that planned merger in April of 2016. Allergan's stock price did not decline along with those of most other pharmaceutical companies during the second half of 2015 because of the anticipated compensation Allergan shareholders would receive upon the planned closing of the transaction. Following the termination of the planned merger with Pfizer, Allergan's stock price declined to bring its valuation more in line with those of pharmaceutical companies whose stock prices were impacted by industry and market pressures during this period.

Shareholder Outreach and Engagement

During 2016, our Board of Directors (also referred to throughout this Proxy Statement as our *Board*) recognized that we needed to deepen our relationships with our shareholders and solicit their views on governance, environmental, social, executive compensation and other matters in order to inform our Board's discussions and decision-making. Our Board believes that this regular, open communication with our shareholders on these matters is critical to our Company's long-term success.

Following our 2016 Annual General Meeting of Shareholders, certain of our independent directors and certain members of our management team engaged with our shareholders to discuss and obtain their feedback on a variety of topics. We had extensive engagement with shareholders representing approximately 37% of the Company's outstanding ordinary shares. Topics discussed as part of this engagement included our executive compensation program; corporate governance matters such as the composition and refreshment of our Board of Directors; succession planning and the leadership structure of our Board of Directors; capital allocation; and our Social Contract with Patients.

Shareholder feedback from these engagements was shared with our full Board of Directors and its Committees and was included in discussions and deliberations as appropriate. As a result of the feedback received over the course of the last year, the Board made the decision to:

Formalize the duties and responsibilities of our Lead Independent Director, with consideration for the specific feedback we received from our shareholders.

Update our Corporate Governance Guidelines to reflect the formalized Lead Independent Director role.

Improve the disclosure of our incentive plan performance measures.

Enhance the transparency of our executive compensation program and Compensation Committee decision-making elements throughout the Compensation Discussion and Analysis section of this Proxy Statement.

We appreciate the feedback of our shareholders and we are committed to ongoing constructive dialogue with our shareholders throughout the year.

Compensation Highlights

Our executive compensation framework focuses on the following key objectives:

Creating unambiguous long-term shareholder alignment by linking a substantial portion of executives' pay to share price appreciation.

Delivering sustainable top- and bottom-line growth.

Creating a unified management team aligned to a shared set of objectives.

Attracting and retaining key executive talent.

Providing flexibility and allowing for Compensation Committee discretion in order to reflect individual circumstances as well as changing business conditions and priorities.

Reinforcing our bold, entrepreneurial culture.

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2017 NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

Components of Our Incentive Compensation Program

Component

Purpose and Key Elements

Annual Incentive Program

Incentivizes a focus on short-term financial and strategic goals that support our long term value creation.

Based on Non-GAAP Performance Net Income Per Share (formerly called Adjusted Non-GAAP Earnings per Share), Net Revenue and pre-defined strategic goals including customer centricity, integration initiatives, R&D, shareholder engagement and talent development.

Long-term Incentive Program

Incentivizes action that will result in sustainable share-price performance through long performance measurement and vesting periods.

Performance Share Units (PSUs): 3-year total shareholder return (TSR) performance measurement and additional 3-year ratable vesting.

Stock options: 5-year ratable vesting.

Long term equity awards were front loaded in 2014; no new equity was granted to our Named Executive Officers in 2015 or 2016.

Transaction-based awards

Awards with significant performance requirements were granted in connection with the acquisitions of Forest Laboratories, Inc. (Forest) and Allergan, Inc. in 2014 and 2015, respectively.

Focuses executives on delivering on the transaction commitments while maintaining industry leading shareholder returns.

Establishes retention incentives during the critical integration processes.

Our Chief Executive Officer Pay Mix

The following chart illustrates the key direct compensation components for our Chief Executive Officer as a percentage of his 2016 total target direct compensation opportunities:

Sound Compensation Practices

Our Board of Directors makes it a priority to put in place compensation practices designed to maximize shareholder value and return.

At-risk compensation and pay for performance.

Appropriate and relevant peer groups.

No supplemental retirement plans.

Caps on incentive awards.

Independent Compensation Committee consultant.

No single-trigger change in control benefits.

Robust share ownership requirements.

Anti-hedging and anti-pledging policies.

Clawback policies.

No change-in-control excise tax gross-ups.

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The nominees for our Board of Directors comprise candidates with a diverse set of backgrounds, experiences and skills:

Name	Age	Since	Independent	Committees*
Nesli Basgoz, M.D.	59	2014		Quality and Innovation (C)
Paul M. Bisaro	56	2007		Quality and Innovation
James H. Bloem	66	2013		Audit and Compliance Nominating and Corporate Governance
Christopher W. Bodine	61	2009		Compensation Nominating and Corporate Governance (C)
Adriane M. Brown	58	2017		Quality and Innovation
Christopher J. Coughlin	64	2014		Compensation Nominating and Corporate Governance
Catherine M. Klema	58	2004		Compensation (C) Nominating and Corporate Governance
Peter J. McDonnell, M.D.	58	2015		Compensation Quality and Innovation

Patrick J. O Sullivan	75	2013	Audit and Compliance Quality and Innovation
Brent L. Saunders	47	2014	
Ronald R. Taylor	69	1994	Audit and Compliance Nominating and Corporate Governance
Fred G. Weiss	75	2000	Audit and Compliance (C) Nominating and Corporate Governance

* (C) denotes Committee Chair

Board Leadership

During 2016, the independent members of our Board of Directors conducted a review of the Board's leadership structure, with particular focus on the structure that would best position our Company for success as we emerge from a period of tremendous transformation into a focused global biopharmaceutical growth company. Our Board of Directors determined that the combination of a Chairman/Chief Executive Officer and a Lead Independent Director would be the best leadership structure for our Company at the present time. In conjunction with that determination, the independent directors of the Board formalized and published a robust set of Lead Independent Director responsibilities.

In October 2016, our Board of Directors elected Brent Saunders, our President and Chief Executive Officer, as Chairman, and elected Christopher Coughlin as our Board's Lead Independent Director.

Governance Highlights

Our corporate governance requirements and practices, which are informed by shareholder feedback and reflect a commitment to a robust shareholder outreach program to facilitate ongoing dialogue, include the following highlights:

Robust Lead Independent Director role.

Shareholder right to call special meeting with a 10% threshold.

Annual election of directors.

Majority voting for the election of directors in an uncontested election, and plurality voting in a contested election.

No poison pill in place.

Thoughtful succession planning process.

Robust annual Board evaluation process, led by an independent third party governance expert.

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Proposal No. 1 Election of Directors

Background

Under the Company's current Articles of Association, the Board of Directors must consist of between five and fourteen directors. Our Board's overarching goal is to have a Board large enough to include all critical skills and perspectives but small enough to work efficiently. Generally, in determining the optimal size, structure and membership, the Board will take into account the Company's then-current circumstances, the Company's near- and longer-term strategic goals and aspirations, the current state of the pharmaceutical industry, legislative and regulatory developments, governance trends, and the views of shareholders and other key stakeholders. Our Board of Directors currently has thirteen members; however, Michael R. Gallagher is not standing for re-election to the Board, and at the Annual Meeting, twelve directors are proposed to be elected to serve until the 2018 Annual General Meeting of Shareholders or until their respective successors are duly elected and qualified.

Based upon the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has nominated Nesli Basgoz, M.D., Paul M. Bisaro, James H. Bloem, Christopher W. Bodine, Adriane M. Brown, Christopher J. Coughlin, Catherine M. Klema, Peter J. McDonnell, M.D., Patrick J. O'Sullivan, Brenton L. Saunders, Ronald R. Taylor and Fred G. Weiss for reelection as directors to serve until the 2018 Annual General Meeting of Shareholders or until their respective successors are duly elected and qualified.

None of the director nominees were selected pursuant to an arrangement or understanding between such nominee and any other person.

Information about each director nominee is set forth in the following paragraphs and is based on information provided to us as of March 17, 2017. The Board of Directors knows of no reason why any of the nominees will be unavailable to serve, but in the event of any such unavailability, the proxies received will be voted for such substitute nominees as the Board of Directors may recommend, unless the number of directors constituting a full Board of Directors is reduced.

Board Recommendation

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

Required Vote

Persons nominated to serve on our Board of Directors in an uncontested election must each individually receive a greater number of votes cast **FOR** than votes cast **AGAINST** in order to be elected, or re-elected, to the Board of Directors. Accordingly, abstentions will not affect the outcome of the election of directors.

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

Broker non-votes will not affect the outcome of the election of directors.

Overview of Directors

Our Board of Directors collectively has a skillset well suited to our industry and our strategic objectives, and possesses the requisite leadership, financial, risk management and operating skills. Our Board also has extensive experience across a broad spectrum of the healthcare industry. Our Board is well-balanced in terms of the tenure of its members, which is a testament to our ongoing evaluation of the effectiveness of our Board and search for a diverse slate of candidates who can contribute to our Company.

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Effective Combined Skillset

Director Nomination and Refreshment Process

Nomination

Our goal is to have a diverse, balanced and engaged Board whose members possess the skills and background necessary to maximize shareholder value in a manner consistent with all legal requirements and the highest ethical standards.

Specifically, our Board, through our Nominating and Corporate Governance Committee, seeks candidates who:

Bring to our Board not only critical skills and experience in areas directly important to the success of the Company's business, but also a diversity of experiences and backgrounds, both professionally and personally.

Have high integrity, sound moral character and good judgment.

Satisfy the independence requirements of the New York Stock Exchange (*NYSE*), our Corporate Governance Guidelines and applicable law.

Our Corporate Governance Guidelines specify that the value of diversity on the Board of Directors should be considered by the Nominating and Corporate Governance Committee in the director identification and nomination process. This Committee does not assign specific weights to particular criteria, and no particular criterion is necessarily applicable to all prospective nominees.

The Nominating and Corporate Governance Committee follows a rigorous process when evaluating candidates for nomination to the Board of Directors. The Nominating and Corporate Governance Committee considers candidates for our Board of Directors from diverse sources, including suggestions from our shareholders and, from time to time, a third party that the Committee engages for a fee to assist in identifying potential director candidates. The Committee makes a final recommendation to the Board of Directors, which then nominates a candidate for election by the shareholders or, as applicable, appoints a candidate to fill a vacancy or new position. The Nominating and Corporate Governance Committee employs the same process for evaluating all candidates, including those properly

recommended by shareholders, and considers shareholder recommendations of candidates on the same basis as it considers all other candidates.

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

Shareholders wishing to recommend a director candidate for consideration by the Nominating and Corporate Governance Committee may do so by sending the candidate's name, biographical information and qualifications, together with a consent in writing signed by the recommended nominee indicating that he or she is willing to be considered as a nominee and, if nominated and elected, will serve as a director, to the Chair of the Nominating and Corporate Governance Committee in care of the Corporate Secretary, Allergan plc, Clonshaugh Business and Technology Park, Coolock, Dublin, D17 E400, Ireland. The submission of a recommendation by a shareholder in compliance with these procedures does not guarantee the selection of the shareholder's candidate or the inclusion of the candidate in our Proxy Statement. However, the Nominating and Corporate Governance Committee will consider any such candidate in accordance with the procedures and guidelines as described above and as set forth in our Corporate Governance Guidelines and the charter of our Nominating and Corporate Governance Committee.

Refreshment

In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee considers that director under the same criteria as all other director nominees and with a view toward the anticipated future needs of the Company. Our Board has no term limits or retirement age for service as a Director. At the same time, our Board believes there is value in Board refreshment and turnover so that the mix of directors yields a Board that is as strong as possible from year to year. Accordingly, the Nominating and Corporate Governance Committee annually re-examines whether to re-nominate each sitting director using the same criteria it would an outside candidate, considering criteria such as whether:

The number of other boards on which he or she serves, or his or her age or health, impacts the energy and time needed for active participation on the Board.

His or her experience in a key area has become stale or is no longer relevant given the anticipated future work of the Board.

The length and nature of his or her work on the Board has diminished his or her independence. Both our Corporate Governance Guidelines and the charter of our Nominating and Corporate Governance Committee set forth in further detail the criteria that guide our Board and our Nominating and Corporate Governance Committee in assessing potential candidates for election and re-election to our Board of Directors, and can be found on our website at www.allergan.com under the Investors' section.

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Director Nominees for Election at the Annual Meeting

NESLI BASGOZ, M.D.

Director Since: 2014

Age: 59

Committees:

Quality and Innovation Committee (Chair)

Dr. Basgoz joined the Board of Directors in July 2014 following the Company's acquisition of Forest, having served as a member of the Board of Directors of Forest beginning 2006. Dr. Basgoz is currently the Associate Chief and Clinical Director, Division of Infectious Diseases at Massachusetts General Hospital (MGH). In addition, Dr. Basgoz is an Associate Professor of Medicine at Harvard Medical School. Dr. Basgoz earned her MD degree and completed her residency in internal medicine at Northwestern University Medical School. She also completed a fellowship in the Infectious Diseases Division at the University of California at San Francisco. She is board certified in both infectious diseases and internal medicine.

The Board of Directors concluded that Dr. Basgoz should serve on the Board of Directors because of her extensive experience in clinical medicine, particularly in the field of infectious diseases and anti-infective therapy, one of our specialty areas.

Skills:

In-Depth Healthcare Knowledge

Clinical Medical Background

Other Public Company Directorships:

None

Corporate Governance Experience

Other Directorships:

MGH Board of Trustees

Partners Healthcare Board of Trustees

**Previous, Recently-Held Public Company
Directorships:**

Forest Laboratories, Inc.

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

PAUL M. BISARO

Director Since: 2007

Age: 56

Committees:

Quality and Innovation Committee

Mr. Bisaro served as Executive Chairman of our Board of Directors from July 2014 to October 2016. He previously served as our President and Chief Executive Officer and as Chairman of our Board of Directors beginning October 2013; prior to serving as Chairman he served on the Board of Directors beginning September 2007. Prior to joining the Company, Mr. Bisaro was President, Chief Operating Officer and a member of the Board of Directors of Barr Pharmaceuticals, Inc., a global specialty pharmaceutical company (Barr), from 1999 to 2007. Between 1992 and 1999, Mr. Bisaro served as General Counsel of Barr, and from 1997 to 1999, served in various additional capacities including Senior Vice President Strategic Business Development. Prior to joining Barr, he was associated with the law firm Winston & Strawn and a predecessor firm, Bishop, Cook, Purcell and Reynolds, from 1989 to 1992.

The Board of Directors concluded that Mr. Bisaro should serve on the Board of Directors because of his experience as a senior executive in our industry, his knowledge of our Company and its day-to-day operations and his strong strategic vision for the Company.

Skills:

Extensive Industry Experience

In-Depth Healthcare Knowledge

Other Public Company Directorships:

Zimmer Biomet Holdings, Inc.

Zoetis, Inc.

Global Business Experience

Executive Leadership Experience

Corporate Governance Experience

Financial, Operational & Strategic Expertise

Other Directorships:

Board of Visitors of the Catholic University of
America's Columbus School of Law

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JAMES H. BLOEM

Director Since: 2013

Age: 66

Committees:

Audit and Compliance Committee

Nominating and Corporate Governance Committee

Mr. Bloem joined the Board of Directors in October 2013 following the Company's acquisition of Warner Chilcott, having served as a member of the Warner Chilcott Board of Directors beginning 2006 and a member of the Board of Directors of one of Warner Chilcott's predecessor companies from 1996 to 2000. Mr. Bloem retired from Humana Inc., one of the nation's largest health benefit companies, on December 31, 2013, after 13 years as Humana's Senior Vice President, Chief Financial Officer and Treasurer. He joined Humana in 2001 and had responsibility for all of the Humana's accounting, actuarial, analytical, financial, tax, risk management, treasury and investor relations activities.

The Board of Directors concluded that Mr. Bloem should serve on the Board of Directors because of his extensive experience in the healthcare industry, including as an executive officer of Humana, as well as his leadership skills and financial knowledge, which enable him to serve as a financial expert on our Audit and Compliance Committee.

Skills:

Extensive Industry Experience

In-Depth Healthcare Knowledge

Global Business Experience

Risk Oversight Experience

Executive Leadership Experience

Other Public Company Directorships:

Genesis Healthcare, Inc.

Other Directorships:

ResCare, Inc. (Chairman)

Rotech Healthcare, Inc.

Audit Experience

York Risk Services Group, Inc.

Corporate Governance Experience

Financial, Operational & Strategic Expertise

**Previous, Recently-Held Public Company
Directorships:**

Warner Chilcott Public Limited Company

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

CHRISTOPHER W. BODINE

Director Since: 2009

Age: 61

Committees:

Nominating and Corporate Governance Committee (Chair)
Compensation Committee

Mr. Bodine joined the Board of Directors in 2009. Mr. Bodine retired from CVS Caremark in January 2009 after 24 years with CVS. Prior to his retirement, Mr. Bodine served as President, Healthcare Services of CVS Caremark Corporation, where he was responsible for strategy, business development, trade relations, sales and account management, pharmacy merchandising, marketing, information technology and Minute Clinic. Prior to the merger of CVS Corporation and Caremark Rx, Inc. in March 2007, Mr. Bodine served for several years as Executive Vice President Merchandising and Marketing of CVS Corporation. Mr. Bodine is active in the pharmaceutical industry, having served on a number of boards and committees, including the Healthcare Leadership Council, RI Quality Institute, National Retail Federation, National Association of Chain Drug Stores (NACDS), and the NACDS Pharmacy Affairs and Leadership Committees.

The Board of Directors concluded that Mr. Bodine should serve on the Board of Directors because of his extensive industry experience and knowledge of the needs and operations of our major customers.

Skills:

Extensive Industry Experience

Other Public Company Directorships:

Fred s Inc.

In-Depth Healthcare Knowledge

Executive Leadership Experience

Corporate Governance Experience

Financial, Operational & Strategic Expertise

**Previous, Recently-Held Public Company
Directorships:**

Nash Finch

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ADRIANE M. BROWN

Director Since: 2017

Age: 58

Committees:

Quality and Innovation Committee

Ms. Brown joined the Board of Directors in 2017. She is currently President and Chief Operating Officer of Intellectual Ventures LLC (Intellectual Ventures). Prior to joining Intellectual Ventures, Ms. Brown served in a number of leadership positions at Honeywell International, Inc. (Honeywell) from 1999-2010, most recently as Senior Vice President, Energy Strategy, and prior to that, as President and CEO of Honeywell’s Transportation Systems global operating group. Prior to joining Honeywell, Ms. Brown had a nearly 20 year career at Corning, Inc. Ms. Brown received her Bachelor of Science in environmental health from Old Dominion University and a Master’s of Science in management (Sloan Fellow) from Massachusetts Institute of Technology. She also received a Doctorate of Humane Letters from Old Dominion University.

The Board of Directors concluded that Ms. Brown should serve on the Board of Directors because of her global business experience as a senior executive in technology-rich companies and her experience identifying, protecting and licensing intellectual property.

Skills:

- Global Business Experience
- Executive Leadership Experience
- Corporate Governance Experience
- Financial, Operational & Strategic Expertise

Other Directorships:

- Pacific Science Center
- Jobs for America’s Graduates
- Washington Research Foundation
- Seattle Chamber of Commerce

Numerous Intellectual Ventures-managed fund subsidiaries

Previous, Recently-Held Public Company Directorships:

Harman International Industries, Inc.

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

CHRISTOPHER J. COUGHLIN

Lead Independent Director

Director Since: 2014

Age: 64

Committees:

Compensation Committee

Nominating and Corporate Governance Committee

Mr. Coughlin joined the Board of Directors in July 2014 following the Company's acquisition of Forest, having served as a member of the Board of Directors of Forest beginning 2011. Mr. Coughlin began serving as our Lead Independent Director in October 2016. He was Executive Vice President and Chief Financial Officer of Tyco International from 2005 to 2010. During his tenure, he played a central role in the separation of Tyco into five independent, public companies. Mr. Coughlin served as Senior Advisor to the CEO and Board of Directors of Tyco until September 2012. Prior to joining Tyco, he worked as the Chief Operating Officer of the Interpublic Group of Companies from June 2003 to December 2004, as Chief Financial Officer from August 2003 to June 2004 and as a director from July 2003 to July 2004. Previously, Mr. Coughlin was Executive Vice President and Chief Financial Officer of Pharmacia Corporation from 1998 until its acquisition by Pfizer in 2003. Prior to that, he was Executive Vice President of Nabisco Holdings and President of Nabisco International. From 1981 to 1996 he held various positions, including Chief Financial Officer, at Sterling Winthrop. In addition to the directorships listed below, Mr. Coughlin also previously served on the Board of Directors of Interpublic Group of Companies, Monsanto Company and Perrigo Company.

The Board of Directors concluded that Mr. Coughlin should serve on the Board of Directors, and as our Lead Independent Director, because his depth of experience in executive leadership roles within complex corporate organizations and his audit committee service on public company boards contribute critical risk oversight and management insight to our Board of Directors.

Skills:

Extensive Industry Experience
In-Depth Healthcare Knowledge
Global Business Experience
Risk Oversight Experience
Executive Leadership Experience
Audit Experience
Corporate Governance Experience
Financial, Operational & Strategic Expertise

Other Public Company Directorships:

The Dun & Bradstreet Corp. (Former Chairman of the Board)
Alexion Pharmaceuticals, Inc. (Chair of the Audit Committee)
Hologic, Inc. (Chair of the Audit Committee)

Previous, Recently-Held Public Company Directorships:

Covidien
Dipexium
Forest Laboratories, Inc.

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CATHERINE M. KLEMA

Director Since: 2004

Age: 58

Committees:

Compensation Committee (Chair)

Nominating and Corporate Governance Committee

Ms. Klema joined the Board of Directors in 2004. She is currently President of Nettleton Advisors LLC, a consulting firm established by Ms. Klema in 2001. Prior to establishing her firm, Ms. Klema served as Managing Director, Healthcare Investment Banking, at SG Cowen Securities from 1997 to 2001. Ms. Klema also served as Managing Director, Healthcare Investment Banking, at Furman Selz LLC from 1994 until 1997, and was employed by Lehman Brothers from 1987 until 1994. Ms. Klema served as a director of Pharmaceutical Product Development, Inc., a global contract research organization, from 2000 to 2011.

The Board of Directors concluded that Ms. Klema should serve on our Board of Directors because of her background in healthcare investment banking and her knowledge of the business of pharmaceutical research and development.

Skills:

Extensive Industry Experience

In-Depth Healthcare Knowledge

Global Business Experience

Corporate Governance Experience

Financial, Operational & Strategic Expertise

Other Public Company Directorships:

None

Other Directorships:

Montefiore Health System Board of Trustees

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

PETER J. MCDONNELL, M.D.

Director Since: 2015

Age: 58

Committees:

Compensation Committee

Quality and Innovation Committee

Dr. McDonnell joined the Board of Directors in March 2015 following the Company's acquisition of Allergan, Inc., having served as a member of the Allergan, Inc. Board of Directors from 2013. Dr. McDonnell has been the Director and William Holland Wilmer Professor of the Wilmer Eye Institute of the Johns Hopkins University School of Medicine since 2003. Dr. McDonnell has also served as the Chief Medical Editor of Ophthalmology Times since 2004, and has served on the editorial boards of numerous ophthalmology journals. Dr. McDonnell also served as the Assistant Chief of Service at the Wilmer Institute from 1987 to 1988. Dr. McDonnell also serves as the President and a director of the National Alliance for Eye and Vision Research and the Alliance for Eye and Vision Research. He served as a consultant to the United States Department of Health and Human Services in 1996. Dr. McDonnell served as a full-time faculty at the University of Southern California from 1988 until 1999, where he advanced to the rank of professor in 1994.

The Board of Directors has concluded that Dr. McDonnell should serve on the Board of Directors because he provides our Board of Directors with wide-ranging expertise in ophthalmology and is widely recognized as an international leader in corneal transplantation, laser refractive surgery and the treatment of dry eye.

Skills:

Other Public Company Directorships:

In-Depth Healthcare Knowledge

None

Clinical Medical Background

Corporate Governance Experience

Other Directorships:

Alliance for Eye and Vision Research

**Previous, Recently-Held Public Company
Directorships:**

Allergan, Inc.

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PATRICK J. O SULLIVAN

Director Since: 2013

Age: 75

Committees:

Audit and Compliance Committee

Quality and Innovation Committee

Mr. O Sullivan joined the Board of Directors in October 2013 following the Company's acquisition of Warner Chilcott, having served as a member of the Warner Chilcott Board of Directors from 2009. He retired from LEO Pharma A/S in 2006, after 30 years of service with LEO. Prior to his retirement, Mr. O Sullivan served in positions of increasing responsibility with LEO, most recently as the Chief Executive Officer of LEO Pharma Ireland and as a director of LEO. He also served as a director of LEO Pharmaceuticals Ltd. UK, LEO Pharma SA France and The LEO Foundation. Mr. O Sullivan is a registered pharmacist, a member and honorary fellow of the Pharmaceutical Society of Ireland and a Knight of the Order of the Dannebrog.

The Board of Directors concluded that Mr. O Sullivan should serve on the Board of Directors because of his demonstrated management ability at senior levels within the pharmaceutical industry, his knowledge of the financial, operational and strategic requirements of a successful international business, which he developed as Chief Executive Officer of LEO Pharma Ireland, and his understanding of the fundamentals of the healthcare industry. Mr. O Sullivan also brings audit and compliance experience to the Board from his current role as a member of Amarin Corporation plc's Board of Directors and Audit Committee.

Skills:

Extensive Industry Experience

In-Depth Healthcare Knowledge

Global Business Experience

Other Public Company Directorships:

Amarin Corporation plc (Chair of the Nominating and Corporate Governance Committee)

Executive Leadership Experience

**Previous, Recently-Held Public Company
Directorships:**

Audit Experience

Warner Chilcott Public Limited Company

Corporate Governance Experience

Financial, Operational & Strategic Expertise

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

BRENTON L. SAUNDERS

Chairman

Director Since: 2014

Age: 47

Committees:

None

Mr. Saunders joined the Board of Directors in July 2014 and began serving as our Chairman of the Board in October 2016. Mr. Saunders is Chairman, President and Chief Executive Officer of Allergan plc. He previously served as Chief Executive Officer and President of Forest Laboratories, Inc. and had served as a Director of Forest beginning in 2011. Prior to that, he served as Chief Executive Officer of Bausch + Lomb Incorporated, a leading global eye health company, serving in this capacity from March 2010 until August 2013. Mr. Saunders also held a number of leadership positions at Schering-Plough, including the position of President of Global Consumer Health Care and was named head of integration for the company's merger with Merck & Co. and for Schering-Plough's acquisition of Organon BioSciences. Before joining Schering-Plough, Mr. Saunders was a Partner and Head of Compliance Business Advisory at PricewaterhouseCoopers LLP. Prior to that, he was Chief Risk Officer at Coventry Health Care and Senior Vice President, Compliance, Legal and Regulatory at Home Care Corporation of America. Mr. Saunders began his career as Chief Compliance Officer for the Thomas Jefferson University Health System. Mr. Saunders is a member of the Business Council and PhRMA.

The Board of Directors concluded that Mr. Saunders, as Allergan's CEO, should serve on our Board of Directors, and because Mr. Saunders brings to the Board his leadership experience as Chief Executive Officer of two global healthcare companies and deep pharmaceutical experience, deep management and operational experience, and

invaluable senior compliance experience and broad regulatory expertise.

Skills:

Extensive Industry Experience
In-Depth Healthcare Knowledge
Global Business Experience
Risk Oversight Experience
Executive Leadership Experience
Corporate Governance Experience
Financial, Operational & Strategic Expertise

Other Public Company Directorships:

Cisco Systems, Inc.

Other Directorships:

RWJBarnabas Health

PhRMA

Previous, Recently-Held Public Company Directorships:

Forest Laboratories, Inc.

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Audit and Compliance Committee

Nominating and Corporate Governance Committee

Mr. Taylor joined the Board of Directors in 1994. Mr. Taylor is currently the President of Tamarack Bay, LLC, a private consulting firm. Prior to forming Tamarack Bay, Mr. Taylor was a general partner of Enterprise Partners Venture Capital, a venture capital firm, from 1998 until 2001. In 1987, Mr. Taylor founded Pyxis Corporation, a manufacturer of automated drug dispensers for hospitals, where he served as Chairman, President, and Chief Executive Officer until its purchase by Cardinal Health, Inc., in 1996. For six years before founding Pyxis, Mr. Taylor was responsible for operations and international sales at Hybritech, Inc., a biotechnology company. Before joining Hybritech, he served for 10 years in management roles at Allergan, Inc. Mr. Taylor currently serves on the Board of Directors of ResMed Inc., where he is the Lead Director and Chair of the Nominating and Governance Committee, and as the Chairman of the Board of Directors of Tillster.

The Board of Directors concluded that Mr. Taylor should serve on the Board of Directors because of his experience as a founder of a successful business and his expertise in evaluating and investing in healthcare companies. Mr. Taylor also brings audit and compliance experience to the Board from his previous experience on the audit and compliance committee of Red Lion Hotels Corporation.

Skills:

Extensive Industry Experience

In-Depth Healthcare Knowledge

Executive Leadership Experience

Other Public Company Directorships:

ResMed Inc. (Lead Director and Chair of Nominating and Governance Committee)

Other Directorships:

Audit Experience

Tillster (Chair)

Corporate Governance Experience

Financial, Operational & Strategic Expertise

**Previous, Recently-Held Public Company
Directorships:**

Red Lion Hotels Corporation

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PROPOSAL NO. 1 ELECTION OF DIRECTORS

FRED G. WEISS

Director Since: 2000

Age: 75

Committees:

Audit and Compliance Committee (Chair)

Nominating and Corporate Governance Committee

Mr. Weiss joined the Board of Directors in 2000. Mr. Weiss is currently the managing director of the consulting firm FGW Consultancy LLC and was previously the managing director of FGW Associates, Inc., a position he held beginning in 1997. Prior to joining FGW he served as an executive for Warner-Lambert for nearly 20 years, most recently as Vice President, Planning, Investment and Development. Mr. Weiss also served from 2000 to January 2017 as Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of numerous BlackRock-sponsored mutual funds.

The Board of Directors concluded that Mr. Weiss should serve on the Board of Directors because of his financial expertise and experience in strategic planning and corporate development. Mr. Weiss also brings audit and compliance experience to the Board from his previous role as Chairman of the Audit Committee of numerous BlackRock-sponsored mutual funds.

Skills:

Risk Oversight Experience

Industry Experience

Other Public Company Directorships:

None

Healthcare Knowledge

Other Directorships:

Audit Experience

Michael J. Fox Foundation for Parkinson's Research
(Treasurer and Chair of the Finance Committee)

Corporate Governance Experience

Financial, Operational & Strategic Expertise

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

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Board and Committee Governance

Corporate Governance Guidelines and Code of Conduct

Our Board of Directors has adopted Corporate Governance Guidelines. These guidelines address the make-up, responsibility and functioning of the Board of Directors and its Committees, and include guidelines relating to:

The Board's determination of its leadership structure, composition and director independence.

Criteria for Board membership and refreshment.

The self-evaluation process of the Board and its Committees.

Shareholder engagement.

Review of management performance.

The Board's authority to retain independent advisors.

Our Board of Directors, through our Audit Committee, has also adopted a Code of Conduct, which applies to all of our Board members and all of our officers and employees. The Code of Conduct sets forth and summarizes certain of our policies related to legal compliance and honest and ethical business practices. The Code of Conduct is intended to comply with the standards set forth in Section 303A.10 of the NYSE Listed Company Manual and applicable rules and regulations of the United States Securities and Exchange Commission (**SEC**). Any amendments to, or waivers from, provisions of the Code of Conduct that apply to our directors or executive officers, including our Chief Executive Officer and Chief Financial Officer and persons performing similar functions, will be promptly posted on our website at www.allergan.com under the Investors Corporate Governance section.

You can find links to our Corporate Governance Guidelines and our Code of Conduct on our website at www.allergan.com under the Investors Corporate Governance section. Copies of these materials are also available to shareholders without charge by contacting our Investor Relations department by mail with your request at Allergan plc, Investor Relations, Morris Corporate Center III, 400 Interpace Parkway, Parsippany, NJ 07054.

Governance Materials Available On Our Website

In addition to our Corporate Governance Guidelines and Code of Conduct, the following Board policies and other corporate governance materials are published on our website at www.allergan.com under the Investors Corporate Governance section:

The members of our Board of Directors, including a biography for each director.

The composition and charter of each of our Board Committees.

Our Memorandum of Association and our Articles of Association.

Our Board of Directors' statement in support of our Social Contract with Patients.

Our Code of Conduct.

Our Corporate Governance Guidelines (which include a description of the responsibilities of our Lead Independent Director).

Information relating to Allergan's compliance program.

Copies of these materials are also available to shareholders without charge by contacting our Investor Relations department by mail with your request at Allergan plc, Investor Relations, Morris Corporate Center III, 400 Interpace Parkway, Parsippany, NJ 07054.

Director Independence

On an annual basis, our Board of Directors reviews the independence of each of our directors and affirmatively makes a determination as to the independence of each director. For a director to be considered independent, the

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BOARD AND COMMITTEE GOVERNANCE

Board of Directors must determine that the director does not have any direct or indirect material relationship with Allergan (other than as serving as a director of Allergan). The Board of Directors considers any and all additional relevant facts and circumstances in making an independence determination.

Our Board of Directors has determined that at least a majority of our directors have no direct or indirect material relationship with us (other than as our director) and that these directors are independent within the meaning of the independence standards promulgated by the SEC and the NYSE. The Board of Directors has determined that Nesli Basgoz, M.D., James H. Bloem, Christopher W. Bodine, Adriane M. Brown, Christopher J. Coughlin, Catherine M. Klema, Peter J. McDonnell, M.D., Patrick J. O'Sullivan, Ronald R. Taylor and Fred G. Weiss have no material relationship with the Company and are independent directors. Mr. Bisaro has been determined to be not independent because he has been an employee of the Company within the last three years. Mr. Saunders has been determined to be not independent as he is our Chief Executive Officer.

In making its independence determinations, the Board of Directors reviewed transactions and relationships between, on the one hand, each director or any member of his or her immediate family, and, on the other hand, the Company or one of its subsidiaries or affiliates, in each case based on information provided by the director, our records and publicly available information. Each of the reviewed transactions and arrangements were entered into in the ordinary course of business and none of the reviewed business transactions, donations or grants involved an amount that exceeded the greater of \$1 million or 2% of either company's revenues with respect to transactions where a director served as an employee or general partner of the entity party to the transaction or any member of his or her immediate family or spouse served as an executive officer or general partner of any such entity. None of our non-employee directors directly or indirectly provides any professional or consulting services to us and none of our directors currently has or has had any direct or indirect material interest in any of the transactions and arrangements that exceeded the greater of \$1 million or 2% of either company's revenues. The Board of Directors has determined that these transactions were made in the ordinary course and did not affect the independence of the directors involved.

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

Risk Oversight

Risk oversight continues to be top-of-mind for our Board of Directors. How well we manage risk will ultimately determine our success.

Our Company faces a number of risks, including economic, financial, legal, regulatory, competition and reputational risks. Primary day-to-day responsibility for the identification, assessment, and prioritization of risks, as well as for the application of resources to minimize, control, and mitigate these risks, lies with senior management. Our Board of Directors' responsibility with respect to risk is in the area of risk oversight: the Board plays an active role in understanding and overseeing the management of risks that our Company faces and ensures that senior management has the framework and processes in place to effectively and adequately monitor and manage these risks.

Broad risk matters, such as setting the Company's risk appetite and ensuring its fit with strategy, are matters for the full Board. However, certain risk management oversight responsibilities are delegated to Board Committees. The Board Committees meet regularly and report back to the full Board. All Board Committees foster open communication with the Board, which enables the Board to coordinate its oversight of risk and identify risk interrelationships between Committees.

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The Company allocates responsibility for managing risk as follows:

Overview of Risk Management Responsibilities

Board of Directors	Performs Company-wide risk oversight and identifies and monitors appropriate risk parameters.
Board Committees	Assist the full Board in carrying out its risk oversight function by considering risk in enumerated areas of responsibility.
Senior Management	Performs day-to-day risk management: Identification, assessment, and prioritization of risks. Application of resources to minimize, control, and mitigate risks.

The following Committees have the following risk oversight responsibilities:

Board Committee	Risk Oversight Responsibilities*
Audit and Compliance Committee	Oversees major areas of financial and compliance risk exposure.
Compensation Committee	Responsible for reviewing the Company's risk assessment and risk management policies. Oversees risks relating to the Company's compensation programs to ensure that these programs do not lead to excessive risk-taking by our employees and that employee interests are aligned with the interests of the Company's stockholders, as discussed in more detail in the Risk Assessment section of this Proxy Statement on page 63.

Quality and Innovation
Oversees risks relating to the Company's compliance with quality systems and other legal and regulatory requirements related to product safety and quality and environmental, health and safety matters.

Committee

Oversees risks relating to the Company's strategy, activities, results and investment in product research and development and innovation initiatives.

* A detailed overview of each Committee's responsibilities can be found in the respective Committee charters on our website at www.allergan.com under the Investors' Corporate Governance section.

Leadership Structure

Our Board believes that Allergan's leadership structure must be considered in the context of its specific culture, circumstances, strategic objectives and challenges. Accordingly, our Board reevaluates its leadership structure annually to ensure that the most efficient and appropriate structure is in place for our Company's needs, which may evolve over time.

Our Corporate Governance Guidelines do not mandate whether the roles of Chairman of the Board and Chief Executive Officer should be combined or separate, but rather provide that when the Chairman is not an independent director, the Board shall specify a method for determining the agenda for, and leading, the non-management executive sessions of the Board, which may include appointing a Lead Independent Director.

The duties of the Lead Independent Director include:

Presiding at meetings of the Board at which the Executive Chair is not present, including executive sessions of the independent directors.

Having the authority to call meetings of independent directors.

Approving meeting agendas for the Board.

Approving meeting schedules for the Board to assure that there is sufficient time for discussion of all agenda items.

Approving presentation materials and other written information sent to the Board.

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BOARD AND COMMITTEE GOVERNANCE

Being available for consultation and director communication with major shareholders.

Recommending the retention of advisers and consultants.

Leading Executive Chair and CEO performance evaluations.

Leading the CEO succession planning process.

Being available to directors who have concerns that cannot be addressed through the Executive Chair.

Serving as a liaison, where appropriate, between the Executive Chair and independent directors.

Serving as a liaison, where appropriate, between management and independent directors.

Performing such other duties as the Board may determine from time to time.

Over the last few years, and particularly with the sale of our Company's global generics and Anda Distribution businesses to Teva in August 2016 and October 2016, respectively, we have been transforming our Company into a focused global biopharmaceutical growth company. Given the ongoing transformation, and after carefully considering the critical issue of Board leadership, our Board determined that combining the roles of Chairman and Chief Executive Officer, and having a Lead Independent Director, is the most effective leadership structure for our Board and our Company at this time.

Effective October 26, 2016, Brenton Saunders, who has led our Company since becoming President and Chief Executive Officer in July 2014, has been elected Chairman of our Board of Directors. He replaced Paul Bisaro, who had served as Executive Chairman since July 1, 2014. Mr. Bisaro remains a member of our Board of Directors. In addition to the role of Chairman, Mr. Saunders retains his current role as President and Chief Executive Officer.

Also effective October 26, 2016, Christopher Coughlin, who joined the Board in July 2014 after serving as a member of the Board of Directors of Forest since 2011, has been elected Lead Independent Director. Our Board determined that with his depth of experience in biopharmaceuticals, his demonstrated skill in managing companies before, during and after significant corporate transformations, and his extensive service on public company boards, Mr. Coughlin is

well suited to serve as our Company's Lead Independent Director.

Board Evaluations

Our Board is committed to continuous improvement and recognizes the fundamental role a robust Board and Committee evaluation process plays in ensuring that our Board maintains an optimal composition and is functioning effectively.

Board Self-Evaluations

The Board, in conjunction with the Nominating and Corporate Governance Committee, conducts an annual self-evaluation of its effectiveness and to identify opportunities where an enhancement or change in practices may lead to further improvement. The Nominating and Corporate Governance Committee also uses this process to assess and determine the characteristics and skills required of prospective candidates for election to the Board.

Consistent with its charter (available on our website at www.allergan.com under the Investors Corporate Governance section), the Nominating and Corporate Governance Committee is responsible for the Board evaluation process. However, the evaluation is conducted by an independent third party facilitator with deep experience in corporate governance matters and assessments of board effectiveness.

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The Board self-evaluation process is as follows:

All directors provide responses to a questionnaire, and the independent third party facilitator interviews all directors on the following Board effectiveness topics:

Board Composition & Development	Access to Information
Meeting Dynamics	Interaction with Management
Leadership & Individual Contributions	

Additionally, the independent third party facilitator seeks feedback on the effectiveness of the Board's oversight on the following key areas:

Strategic Planning and Goal Setting	HR Matters
Fostering Innovation	Risk Oversight
Operational Matters	Governance
Financial Matters	

The results of the interviews and the scores provided on the series of questions are analyzed and presented to the full Board in a report that includes both key strengths in Board effectiveness and opportunities for enhancing Board effectiveness.

The Board discusses the report presented by the independent third party facilitator and chooses one or two priorities (or more, if warranted by the report) to focus on in order to increase its effectiveness. A leader (either from the Committee or from management, as appropriate given the subject matter) is assigned to each priority.

The Nominating and Corporate Governance Committee uses the results of the evaluation in determining the characteristics and skills required of prospective candidates for election to the Board. It also uses these results to make recommendations to the Board with respect to assignments of Board members to various Board Committees.

Individual feedback for directors is delivered by Board leadership to help facilitate the contributions of every director to the Board at his/her highest capability.

Committee Self-Evaluations

Each Committee of the Board – the Audit and Compliance Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Quality and Innovation Committee – annually evaluates its performance as a Committee.

The evaluation process is similar to that of the Board and is also facilitated by an independent third party. Each Committee’s evaluation is focused on the Committee’s effectiveness in performing its key functions.

The Chair of each Committee reports the respective Committee’s conclusions to the Board and may make recommendations for improvement to the Board.

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BOARD AND COMMITTEE GOVERNANCE

Succession Planning

Our Board of Directors recognizes that one of its most critical responsibilities is to guarantee excellence and stability in our Company's senior leadership. As a result, our Board is actively engaged in talent management. Our Board oversees the development of executive talent and plans for the succession of the Chairman of our Board, our directors, our Chief Executive Officer and other senior members of executive management.

Board Succession Planning

The Nominating and Corporate Governance Committee considers the critical needs of the Company regularly, taking into account the results of the annual Board of Directors and Committee evaluations and other relevant data to assess Board skills and the leadership capabilities of existing directors to ensure that there are sitting directors who are ready to fill the roles of Chairman, Lead Independent Directors and Chair of each of our Committees should one of those directors vacate his or her position unexpectedly.

Chief Executive Officer Succession Planning

Our Board of Directors is responsible for the selection of our Chief Executive Officer. In connection with its preparation of short- and long-term succession plans for the Chief Executive Officer, including in the event of unanticipated vacancy, our Board of Directors regularly reviews leadership development initiatives and identifies and periodically updates the skills, experience and attributes that they believe are required to be an effective Chief Executive Officer in light of the Company's business strategy, prospects and challenges.

Shareholder Engagement

Our Board of Directors believes that regular, open communication with our shareholders is critical to our Company's long-term success. We recognize the importance of listening to and taking into account the views of our shareholders on performance, governance, environmental, social, executive compensation and other matters, and our Board is committed to understanding Company shareholders' views and considering their input as the Board and management makes important decisions.

This is why Allergan includes an extensive outreach program that establishes and cultivates investor relationships as part of its governance program. This outreach is conducted in accordance with the following process:

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Consistent with our strong focus on attaining and understanding shareholder feedback, senior management, and from time to time certain independent members of our Board, engaged extensively with our shareholders following our 2016 Annual General Meeting of Shareholders. We held in person or telephonic meetings with shareholders representing approximately 37% of the Company's outstanding ordinary shares. Discussions focused on our Company's performance, executive compensation program, environmental and social responsibility activities, our Board's independent oversight of management, our Board's composition, succession planning, risk management and other critical issues. All feedback was shared with our Board and with the relevant Committees for their consideration.

Feedback from our 2016 shareholder engagements was shared with our full Board of Directors and its Committees, and included in discussions and deliberations as appropriate. As a result of the feedback received over the course of the last year, the Board:

Formalized the duties and responsibilities of our Lead Independent Director with consideration for the specific feedback we received from our shareholders.

Updated our Corporate Governance Guidelines to reflect the formalized Lead Independent Director role.

Improved the disclosure of our incentive plan performance measures.

Enhanced transparency of our executive compensation program and Compensation Committee decision making elements throughout the Compensation Discussion and Analysis section of this Proxy Statement. We appreciate the feedback of our shareholders and we are committed to ongoing constructive dialogue with our shareholders throughout the year.

Board Meetings

During the fiscal year ended December 31, 2016, the Board of Directors of Allergan plc held nine Board meetings. Each incumbent director attended at least 75 percent of the combined total of (i) all Board of Directors meetings and (ii) all meetings of Committees of which such director was a member. We do not have a policy with regard to Board members' attendance at our Annual General Meeting of Shareholders. Ten members of the Board of Directors then in office attended our 2016 Annual General Meeting of Shareholders.

Executive Sessions

We schedule regular executive sessions in which all of the directors meet without management participation. We also schedule regular executive sessions in which only independent directors meet. Mr. Coughlin, who was elected Lead Independent Director in October 2016, chairs executive sessions of the independent directors of the Board. Prior to Mr. Coughlin's election as Lead Independent Director, Ms. Klema, the then Lead Independent Director, chaired executive sessions of the independent directors of the Board.

Committees

The Board of Directors has four standing Committees: the Audit and Compliance Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Quality and Innovation Committee.

Each Committee:

Operates in accordance with a written charter adopted by the Board (published on our website at www.allergan.com under the Investors Corporate Governance Committee Charters section).

Reviews its charter on an annual basis.

Evaluates its performance on an annual basis.

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BOARD AND COMMITTEE GOVERNANCE

Information about each Committee is provided below:

Audit and Compliance Committee

Meetings held in 2016: 10

Members

Fred G. Weiss (Chair)

James H. Bloem

Michael R. Gallagher**

Patrick J. O. Sullivan

Ronald R. Taylor

Independence*

Key Skills / Qualifications Represented

Audit / Tax / Accounting

Oversight of financial statements

Compliance

Executive leadership

Risk oversight

Key Responsibilities

The primary function of the Audit and Compliance Committee is to assist the Board of Directors in fulfilling its oversight of:

The integrity of Allergan's financial statements.

Allergan's compliance with legal and regulatory requirements.

The qualifications and independence of Allergan's independent auditor.

The performance of Allergan's internal audit function and of its independent auditor.

Additionally, the Audit and Compliance Committee serves as an independent and objective party that:

Monitors Allergan's financial reporting process and internal control systems.

Retains, oversees and monitors the qualifications, independence, compensation and performance of Allergan's independent auditor.

Provides an open avenue of communication among the independent auditor, financial and senior management, the internal audit department and the Board of Directors.

Financial Expertise

The Board of Directors determined that each member of the Audit and Compliance Committee is financially literate as required under the NYSE listing standards and an audit committee financial expert within the meaning of the SEC rules.

** All of the members of the Audit and Compliance Committee have been determined to be independent and to meet the financial literacy and audit committee independence requirements of the NYSE listing standards and SEC Rule 10A-3.*

***Mr. Gallagher is not standing for re-election to the Board of Directors.*

The functions of the Audit and Compliance Committee and its activities during the fiscal year ending December 31, 2016 are described in further detail on page 79 under the heading Report of the Audit and Compliance Committee.

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Compensation Committee

Meetings held in 2016: 7

Members

Catherine M. Klema (Chair)
Christopher Bodine
Christopher J. Coughlin
Peter McDonnell, M.D.

Independence*

Key Skills / Qualifications Represented

Executive leadership

Financial experience

Talent development

Human capital management

Key Responsibilities

The key functions of the Compensation Committee are to:

Evaluate the performance and determine the compensation of our Chief Executive Officer and Executive Chairman.

Review and determine the compensation payable to our Named Executive Officers.

Oversee and administer our equity compensation and other incentive compensation plans.

Oversee the use of senior executive employment agreements and severance plans.

Review compensation programs and policies for features that may encourage excessive risk taking, and determine the extent to which there may be a connection between compensation and risk.

Review and approve the Compensation Discussion and Analysis to be included in the Proxy Statement for our Annual General Meetings of Shareholders.

** All of the members of the Compensation Committee have been determined to be independent and to meet the independence requirements of the NYSE listing standards. In addition, all current Compensation Committee members have been determined to qualify as non-employee directors within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, and as outside directors within the meaning of Section 162(m) of the Internal Revenue Code.*

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BOARD AND COMMITTEE GOVERNANCE

Nominating and Corporate Governance Committee

Meetings held in 2016: 5

Members

Christopher W. Bodine (Chair)
James H. Bloem
Christopher J. Coughlin
Catherine M. Klema
Ronald R. Taylor
Fred G. Weiss

Independence* Key Skills / Qualifications

Senior leadership
Corporate governance
Succession planning
Talent development
Public company board service
Global business experience

Key Responsibilities

The key functions of the Nominating and Corporate Governance Committee are to:

Identify and present qualified candidates to the Board of Directors for election or re-election as directors of the Company.

Ensure that the size and composition of the Board of Directors and its Committees best serve our practices and objectives.

Develop and recommend to the Board of Directors a set of corporate governance guidelines and principles and periodically review and recommend changes to such guidelines and principles as deemed appropriate.

Oversee the evaluation of the Board of Directors and senior management.

Make recommendations to the Board of Directors regarding the compensation payable to members of the Board of Directors.

Make recommendations to the Board of Directors regarding governance matters, including our Memorandum of Association and Articles of Association.

** All of the members of the Nominating and Corporate Governance Committee have been determined to be independent and to meet the independence requirements of the NYSE listing standards.*

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Quality and Innovation Committee

Meetings held in 2016: 4

Members

Nesli Basgoz, M.D. (Chair)
 Paul M. Bisaro
 Adriane M. Brown
 Michael R. Gallagher*
 Peter J. McDonnell, M.D.
 Patrick J. O Sullivan

Independence Key Skills / Qualifications

R&D

 Innovation

 Strategy

 Product safety and quality knowledge

 Environmental and health safety knowledge

 Compliance knowledge

Key Responsibilities

The key functions of the Quality and Innovation Committee are to assist the Board with its oversight responsibilities regarding:

The Company s compliance with quality systems and other legal and regulatory requirements related to product safety and quality and environmental, health and safety matters.

The Company s strategy, activities, results and investment in product research and development and innovation initiatives.

The Company s commitments to patients, quality and safety, education and product accessibility as reflected in its Social Contract with Patients.

** Mr. Gallagher is not standing for re-election to the Board of Directors.*

Director Compensation

Pursuant to the terms of our director compensation program adopted in 2015 (the **2015 Program**), all members of the Board of Directors who were not full-time employees of the Company receive an annual cash retainer equal to \$125,000, paid at the time of our Annual General Meeting of Shareholders. Our Lead Independent Director also receives an additional annual fee of \$50,000. As compensation for serving as Committee Chair, (i) the Chair of the Audit and Compliance Committee receives an additional annual fee of \$30,000 and (ii) the Chair of each of our other Committees receives an additional annual fee of \$24,000. In addition, all directors received a grant of restricted stock units valued at approximately \$250,000 on May 5, 2016, the date of our 2016 Annual General Meeting of Shareholders. These awards will vest at the earlier of (1) the date of our 2017 annual meeting or (2) May 4, 2017.

Effective August 8, 2016, the Board of Directors adopted a revised director compensation structure (the **2016 Program**). Pursuant to the 2016 Program, we increased the cash retainer for each director from \$125,000 to \$150,000, and increased the target value of our restricted stock unit grant for each director from \$250,000 to \$300,000. The additional compensation we provide for serving as Lead Independent Director or as a Committee Chair remained unchanged from the 2015 Program. On account of this revised structure, each of our non-employee directors received a cash payment of \$25,000 on August 8, 2016, equal to the incremental increase in our annual fees. Additionally, on August 8, 2016, each of our non-employee directors received a grant of restricted stock units valued at approximately \$50,000. These awards will vest at the same time as our May 5, 2016 grant.

Messrs. Saunders and Bisaro, who were also employed by us during 2016, did not receive additional compensation for their service as directors during 2016. Mr. Bisaro ceased his employment with the Company effective January 1, 2017, and will be compensated during 2017 for his service as a director starting at such date. For a discussion of the treatment of his equity awards upon his employment termination, see page 70 of the Compensation Discussion and Analysis section of this Proxy Statement.

For 2016, we ceased providing any tax assistance or equalization support for our directors. Previously, the Company provided gross-ups for expense reimbursements and tax equalization support on account of differences in

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Irish and home country tax rates. However, as expense reimbursements are no longer subject to payment of Irish tax under an interpretation by the Irish Revenue authorities, the Company ceased providing any gross-up in connection with expenses for 2016, whether in Ireland or in a director's home country. Additionally, we felt it was also in the Company's and our shareholders' best interests to cease providing tax equalization support. Therefore, as of 2016, all of our non-employee directors are now solely liable for any taxes associated with their compensation.

In order to better align the interests of our Board with those of our shareholders in a fair and reasonable manner, as well as to align with what we believe is a corporate governance best practice, we maintain share ownership guidelines for our senior executives and directors. Our ownership guidelines require our directors to hold shares in the Company in an amount at least equal in value to five times their annual base director's fee. Under our guidelines, restricted shares, as well as vested shares owned by a director, are included in the calculation. Each of our directors, other than our newly appointed director, Adriane Brown (effective February 1, 2017), is currently in compliance with the Company's share ownership guidelines.

Name	Fees Earned or Paid in Cash⁽¹⁾	Restricted Share Unit Awards⁽²⁾	Total
	(\$)	(\$)	
Nesli Basgoz, M.D.	174,000	299,794	473,794
James H. Bloem	150,000	299,794	449,794
Christopher W. Bodine	174,000	299,794	473,794
Christopher J. Coughlin	150,000	299,794	449,794
Michael R. Gallagher	150,000	299,794	449,794
Catherine M. Klema	200,000	299,794	499,794
Peter J. McDonnell, M.D.	150,000	299,794	449,794
Patrick J. O'Sullivan	150,000	299,794	449,794
Ronald R. Taylor	174,000	299,794	473,794
Fred G. Weiss	180,000	299,794	479,794

(1) Includes annual cash retainer fees and chairperson fees, if applicable.

(2) Consists of the annual grant of restricted share units to non-employee directors, equal to 1,188 units with a per share fair value of \$210.34 granted on May 5, 2016 and 201 units with a per share fair value of \$248.31 granted on August 8, 2016. As of December 31, 2016, each of our non-employee directors held 1,389 outstanding unvested restricted share units. As of December 31, 2016, Mr. Coughlin held 15,927 vested stock options and Ms. Basgoz held 12,878 vested stock options, received in each case from prior board service. Mr. Gallagher also holds 17,642 phantom share units representing an equal number of ordinary shares which, upon termination of the director's service on our Board of Directors, the director has the right to receive.

Corporate Political Contributions

Public Policy Engagement & Disclosure of Political Activities

Our Board of Directors believes that informed public policy plays a critical role in our ability to achieve our goal of pursuing medical advances to help patients live life to its fullest potential. Therefore, two of our U.S. subsidiaries, Allergan, Inc. and Allergan USA, Inc. engage in various efforts to advance public policies that support healthcare innovation and improve patient access to needed medical treatments while also advocating for a fair, free market system that will provide the best environment for continued innovation.

These efforts include direct and indirect engagement with and advocacy before federal, state and local government officials, sponsoring a federal political action committee, contributing to state and local candidates and committees where permitted, and supporting and participating in industry and trade organizations. We believe that such public policy engagement is an important and appropriate role for companies in open societies when conducted in a legal and transparent manner.

Our public policy priorities and positions are determined in consultation with the Company's business operations and are approved by our senior management.

Lobbying

In the U.S. in 2016, the top issues that our Company lobbied at the federal level included:

Allergan's Social Contract with Patients.

Intellectual property reform.

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Implementation issues related to the Affordable Care Act.

Incentives for anti-microbial research.

Patient safety concerns related to drug compounding and counterfeit medicines.

In each state where we engage in lobbying, we comply with that state's specific lobbying registration, disclosure and other compliance requirements. For 2016, our state lobbying efforts were focused predominately on eleven states: Arizona, California, Georgia, Florida, Illinois, Massachusetts, New Jersey, New York, Ohio, Oregon, and Texas.

In the U.S. in 2016, the top issues that our Company lobbied at the state level included:

Allergan's Social Contract with Patients.

Patient access to prescription medicines.

Patient safety concerns related to drug compounding and counterfeit medicines.

Interchangeability of biosimilars.

Price transparency disclosure requirements.

In the U.S., a range of lobbying registration and disclosure laws exist with which we comply. At the federal level, we comply with the Lobbying Disclosure Act, which requires us to file quarterly reports with the U.S. Congress to disclose the issues we are lobbying and the amount we spend doing so. These reports call for the disclosure of the expenses associated with lobbying the federal government, including those incurred by our Government Affairs team and non-lobbyist employees, amounts paid to outside lobbying firms and consultants and the portion of our trade association dues attributable to those associations' federal lobbying. For calendar year 2016, we reported total U.S. federal lobbying expenditures of \$2,780,000 and state lobbying expenditures of \$2,000,000.

Industry & Trade Association Memberships

Additionally, Allergan is a member of industry and trade groups that represent both the pharmaceutical industry and the business community at large so that we may participate in bringing about consensus on broad policy issues that can impact our business objectives and ability to serve patients. Allergan's membership in these industry and trade groups comes with the understanding that, although we may not always agree with the positions of the larger organizations and/or other members, we are committed to participating in the discussions and voicing our concerns as appropriate through our colleagues who serve on the boards and committees of these groups. We may even recuse

ourselves from related association or industry group activities if our participation would not advance Allergan's interests.

A list of the major industry and trade groups that we support (over \$25,000 annually) is available on our website at www.allergan.com under the Responsibility Social Responsibility Public Policy section.

Political Contributions

While U.S. federal law prohibits corporations from making political contributions to federal candidates, companies can establish political action committees that are funded solely through voluntary employee contributions. The Allergan, Inc. Political Action Committee (the *Allergan, Inc. PAC*) provides eligible employees a direct means to voluntarily participate in the political process that can affect public policy issues of importance to our business interests.

The Allergan, Inc. PAC operates in accordance with all relevant federal and state laws and contributes to candidates from both parties. When selecting candidates to support, priority is given to candidates who understand business issues of importance to Allergan, as well as to candidates who represent states or districts where the company has facilities or employees. Contributions are always made in the best interest of the company and are never made in recognition of the private political preferences of company executives. Input from Allergan employees who participate in the Allergan, Inc. PAC is considered when selecting candidates to support, but all contribution