

Allergan plc
Form DEFA14A
April 06, 2018

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):

No fee required.

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

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

In an effort to provide further transparency on the structure of the 2018-2019 Performance Share Unit (**PSU**) grant described in the 2018 Definitive Proxy Statement of Allergan plc (**Allergan** or the **Company**), the Company is providing the targets for the Relative Total Shareholder Return (**R-TSR**) metric used, in part, to determine the percentage of PSUs earned at the conclusion of the performance period.

The vesting percentage by R-TSR percentile rank (compared to the NYSE Arca Pharmaceutical index) is below. Importantly, if the Company's absolute Total Shareholder Return for the performance period is negative, the percentage of PSUs that can be earned is capped at 100% of target, regardless of the R-TSR results.

**R-TSR
Vesting**

| R-TSR Percentile Rank | Percentage* |
|------------------------------|--------------------|
| >80 th | 200% |
| Median | 100% |
| 40 th | 50% |
| 30 th | 0% |

* If the R-TSR percentile rank is between two of the levels set forth in the table above, the vesting percentage shall be determined using linear interpolation.

As also described in Allergan's 2018 Definitive Proxy Statement, the other metric used to determine the percentage of PSUs earned is measurable R&D milestones focusing on advancing the Company's Stars R&D programs as well as other key approvals and submissions. As the Company's R&D milestones are competitively sensitive, those targets are not disclosed. However, the Company follows a rigorous process whereby the milestones are established and the results are certified annually by the Quality and Innovation Committee of the Board to ensure that the targets are challenging and the achievements are aligned with expected outperformance if the Company hits such milestones, and subsequently advances the applicable products through the pipeline and brings them to market.