

Actavis, Inc.
Form DEF 14A
March 29, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Actavis, Inc.

(Name of Registrant as Specified In Its Charter)

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

N/A

Payment of Filing Fee (Check the appropriate box):

No fee required.

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:
-

ACTAVIS, INC.

Morris Corporate Center III

400 Interpace Parkway

Parsippany, New Jersey 07054

2013 Annual Meeting of Stockholders

May 10, 2013

8:30 a.m. local time

Sheraton Parsippany Hotel, located at 199 Smith Road, Parsippany, New Jersey

Notice of Annual Meeting of Stockholders:

You are hereby notified that the 2013 Annual Meeting of Stockholders (the “*Annual Meeting*”) of Actavis, Inc. (the “*Company*”) will be held at the Sheraton Parsippany Hotel, located at 199 Smith Road, Parsippany, New Jersey, at 8:30 a.m. local time, on May 10, 2013, for the following purposes:

1.

To elect Jack Michelson, Ronald R. Taylor, Andrew L. Turner, Paul M. Bisaro, Christopher W. Bodine, Michel J. Feldman and Fred G. Weiss as members of the Board of Directors to hold office until the 2014 Annual Meeting or until each of their respective successors is duly elected and qualified.

2.

To approve, on an advisory basis, Named Executive Officer compensation.

3.

To ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2013.

4.

To consider a stockholder proposal, if properly presented at the meeting.

5.

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 the close of business on March 15, 2013 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. Only stockholders of record at the close of business on March 15, 2013 will be entitled to notice of and to vote at the Annual Meeting or any adjournment, postponement or continuation thereof. Your attention is directed to the attached Proxy Statement for more complete information regarding the matters to be acted upon at the Annual Meeting.

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

March 29, 2013

Parsippany, New Jersey

By Order of the Board of Directors

David A. Buchen

Secretary

This page intentionally left blank

March 29, 2013

To Our Stockholders:

You are cordially invited to attend the 2013 Annual Meeting of Stockholders of Actavis, Inc. The annual meeting will be held at the Sheraton Parsippany Hotel located at 199 Smith Road, Parsippany, New Jersey on May 10, 2013 at 8:30 a.m. local time.

In connection with the annual meeting, we have prepared a Notice of Annual Meeting of Stockholders, a proxy statement, and our 2012 Annual Report to Stockholders, which provides detailed information relating to our activities and operating performance. The attached proxy statement describes the matters to come before the annual meeting. During the annual meeting, we will also review the activities of the past year and items of general interest about the company.

Pursuant to the rules of the Securities and Exchange Commission, we are furnishing their proxy materials to stockholders over the Internet.

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

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

Sincerely,

Paul M. Bisaro

President and CEO

Table of Contents

<u>PROPOSAL NO. 1</u>	<u>ELECTION OF DIRECTORS</u>	9
<u>CORPORATE GOVERNANCE</u>		<u>12</u>
<u>BOARD OF DIRECTORS AND COMMITTEES</u>		<u>14</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>		<u>17</u>
<u>COMPENSATION COMMITTEE REPORT</u>		<u>30</u>
<u>SUMMARY COMPENSATION TABLE</u>		<u>31</u>
<u>2012 GRANTS OF PLAN-BASED AWARDS</u>		<u>33</u>
<u>2012 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END</u>		<u>35</u>
<u>2012 OPTION EXERCISES AND STOCK VESTED</u>		<u>37</u>
<u>2012 NONQUALIFIED DEFERRED COMPENSATION</u>		<u>38</u>
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL</u>		<u>39</u>
<u>DIRECTOR COMPENSATION</u>		<u>44</u>
<u>STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS</u>		<u>45</u>

<u>STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS</u>	<u>46</u>
<u>PROPOSAL NO. 2</u> <u>ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS (“SAY-ON-PAY VOTE”)</u>	<u>47</u>
<u>PROPOSAL NO. 3</u> <u>RATIFICATION OF APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP</u>	<u>49</u>
<u>AUDIT FEES</u>	<u>50</u>
<u>REPORT OF THE AUDIT COMMITTEE</u>	<u>51</u>
<u>PROPOSAL NO. 4</u> <u>EXECUTIVES TO RETAIN SIGNIFICANT STOCK</u>	<u>52</u>
<u>BOARD OF DIRECTORS’ RESPONSE TO STOCKHOLDER PROPOSAL</u>	<u>54</u>
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>55</u>
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	<u>56</u>
<u>STOCKHOLDERS’ PROPOSALS FOR THE 2014 ANNUAL MEETING</u>	<u>57</u>
<u>OTHER BUSINESS</u>	<u>57</u>

ACTAVIS, INC.

Morris Corporate Center III

400 Interpace Parkway

Parsippany, New Jersey 07054

Proxy Statement

General

Your proxy is solicited by the Board of Directors of Actavis, Inc. (“*Actavis*,” the “*Company*,” “*we*,” “*us*” and “*our*”) for use at the 2013 Annual Meeting of Stockholders (the “*Annual Meeting*”) to be held at the Sheraton Parsippany Hotel, located at 199 Smith Road, Parsippany, New Jersey, at 8:30 a.m. local time on May 10, 2013 for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. Directions to the Annual Meeting can be viewed at www.sheratonparsippany.com/directions.

In connection with the Annual Meeting, we have prepared a Notice of Annual Meeting of Stockholders, a Proxy Statement, and our 2012 Annual Report to Stockholders, which provides detailed information relating to our activities and operating performance. Under Securities and Exchange Commission (“SEC”) rules, we have elected to make our proxy materials available to the majority of our stockholders via the Internet rather than mailing paper copies of those materials to each stockholder. On or about March 29, 2013, we mailed a Notice of Internet Availability of Proxy Materials (the “Internet Notice”) directing stockholders to a website where they can access this Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2012 and view instructions on how to vote via the Internet or by telephone. If you receive an Internet Notice by mail, you will not receive a printed copy of our proxy materials unless you specifically request one. If you received the Internet Notice of Availability only and would like to receive a paper copy of the proxy materials, please follow the instructions printed on Internet Notice of Availability to request that a paper copy be mailed to you. Stockholders who do not receive Internet Notice of Availability will receive a paper or electronic copy of our proxy materials. This Proxy Statement and related proxy materials are being mailed or made available to stockholders on or about March 29, 2013. We believe electronic delivery will expedite the receipt of materials, while lowering costs and reducing the environmental impact of our Annual Meeting by reducing printing and mailing of our proxy materials.

Who Can Vote

Only stockholders of record of our common stock at the close of business on March 15, 2013, the record date for the Annual Meeting, are entitled to receive notice of and to vote their shares at the Annual Meeting. As of that date, there were 127,749,913 shares of our common stock outstanding. Most of our stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. Certain distinctions between shares held of record and those owned beneficially are summarized below:

Stockholder of Record. If your shares of our common stock are registered directly in your name with our transfer agent, American Stock Transfer, you are considered the stockholder of record with respect to those shares and these proxy materials are being sent to you directly by the Company. As the stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting.

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

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

[Back to Contents](#)

How to Vote

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

Stockholders of Record

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

By Telephone or on the Internet. You may vote by calling the toll-free telephone number noted on your proxy card or Internet Notice of Availability. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern time on May 9, 2013. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded. You also may choose to vote on the Internet. The website for Internet voting is noted on your proxy card or your Notice of Internet Availability. Internet voting also is available 24 hours a day and will be accessible until 11:59 p.m. Eastern time on May 9, 2013. As with telephone voting, you may confirm that your instructions have been properly recorded. Stockholders who vote through the Internet or telephone should be aware that they may incur costs to access the Internet, such as usage charges from telephone companies or Internet service providers, and that these costs must be borne by the stockholder.

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

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

Shares must be voted either in person, by telephone, on the Internet or by completing and returning a proxy card. Shares cannot be voted by marking, writing on and/or returning a Notice of Internet Availability. Any Notices of Internet Availability that are returned will not be counted as votes.

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

Beneficial Owners

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

Revoking Your Proxy

You have the right to revoke your proxy at any time before it is voted at the Annual Meeting by (1) filing a written notice with our Corporate Secretary, (2) delivering a new proxy bearing a later date, (3) granting a later proxy through

telephone or Internet voting, or (4) attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not, by itself, revoke a proxy.

Any such notices and new proxies that are sent by mail should be sent to Actavis, Inc., Corporate Secretary, Morris Corporate Center III, 400 Interpace Parkway, Parsippany, NJ 07054.

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

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 10, 2013

This Proxy Statement and our 2012 Annual Report to Stockholders are available on our website at www.Actavis.com/proxy2013 and at www.proxyvote.com.

Our website also contains the following documents: the Notice of Annual Meeting of Stockholders, this Proxy Statement and proxy card sample, and the 2012 Annual Report to Stockholders. You are encouraged to review all of the important information contained in the proxy materials before voting.

Solicitation of Proxies

We have retained the services of a proxy solicitation firm, The Proxy Advisory Group, LLC (“Proxy Advisory”), to solicit proxies for the Annual Meeting from our stockholders. We will bear the entire cost of solicitation of our and Proxy Advisory’s solicitations, including the payment of fees of approximately \$16,500 to Proxy Advisory for their services, and the cost of preparation, assembly, printing and mailing of this Proxy Statement, the Internet Notice of Availability, the proxy card and any additional information furnished to stockholders. In addition to the use of the mail, our directors, officers and employees may solicit proxies on our behalf by telephone, facsimile, electronic mail or personal solicitation. Our directors, officers and employees will receive no additional compensation for such services. We will reimburse brokers, custodians and nominees for the reasonable expenses they incur furnishing proxy solicitation and other required Annual Meeting materials to street-name holders who beneficially own those shares on the record date.

[Back to Contents](#)

Quorum and Voting

At the close of business on March 15, 2013, 127,749,913 shares of our common stock were outstanding and entitled to vote at the Annual Meeting. Votes cast by proxy (including through the Internet or by telephone) or in person at the Annual Meeting will be tabulated by the election inspector appointed for the Annual Meeting who will determine whether or not a quorum is present. The presence, in person or by proxy, of the holders of a majority of our common stock outstanding and entitled to vote at the Annual Meeting is necessary in order to constitute a quorum for the conduct of business at the Annual Meeting.

If your shares of our common stock are held by a broker in street name, under the rules of the New York Stock Exchange (“NYSE”) your broker may vote your shares on certain matters if you do not provide your broker with voting instructions. Proposal No. 3, the ratification of the selection of our independent registered public accountants, is considered a routine matter upon which brokerage firms may vote on behalf of their clients even if no voting instructions are provided. A “broker non-vote” occurs when a broker holding your shares in street name does not vote on a particular matter because you did not provide the broker voting instructions and the broker lacks discretionary voting authority to vote the shares because the matter is non-routine. The non-routine matters on the agenda for this year’s Annual Meeting include the election of directors, an advisory vote to approve on the compensation of our Named Executive Officers and a stockholder proposal to require the Company to adopt a certain stock ownership policy for its senior executives to retain a significant percentage of their Company shares until reaching retirement age. Accordingly, with respect to the proposals other than Proposal No. 3 (ratification of the selection of our independent registered public accountants), your broker will not be able to vote your shares without specific instructions from you.

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

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

•

FOR the election of Jack Michelson, Ronald R. Taylor, Andrew L. Turner, Paul M. Bisaro, Christopher W. Bodine, Michel J. Feldman and Fred G. Weiss as our directors;

•

FOR the approval, on a non-binding basis, of our Named Executive Officer compensation;

•

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2013; and

•

AGAINST the stockholder proposal described in Proposal No. 4.

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

The proxy for the Annual Meeting gives each of Paul M. Bisaro and David A. Buchen discretionary authority to vote your shares in accordance with his best judgment with respect to all additional matters that might come before the Annual Meeting.

“Householding”

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

Information on Our Website

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

Assistance

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

[Back to Contents](#)

PROPOSAL NO. 1 ELECTION OF DIRECTORS

Under our bylaws, the Board of Directors must consist of between seven and fifteen directors, with the exact number determined by the Board of Directors. The Board of Directors has set the current number of authorized directors at ten.

Prior to our 2011 Annual Meeting, our Articles of Incorporation provided that the Board of Directors be divided into three classes, with each class being elected for a three-year term, expiring at our Annual Meeting of stockholders. At our 2011 Annual Meeting, the Company's stockholders approved an amendment and restatement of the Company's Articles of Incorporation which, among other things, provided for the declassification of the Company's Board of Directors. As a result, commencing with our 2012 Annual Meeting, the members of each class of directors standing for election at such Annual Meeting are elected annually for one-year terms expiring at the next succeeding Annual Meeting. As of the 2013 Annual Meeting, all of our directors other than our Class I directors, whose terms expire in 2014, stand for election annually, rather than every three years.

At the Annual Meeting, seven directors, who currently comprise the Class II and Class III directors, are to be elected to serve until the 2014 Annual Meeting or until their successors are duly elected and qualified.

Based upon the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has nominated Jack Michelson, Ronald R. Taylor, Andrew L. Turner, Paul M. Bisaro, Christopher W. Bodine, Michel J. Feldman and Fred G. Weiss for reelection as directors to serve until the 2014 Annual Meeting or until their successors are duly elected and qualified.

Our other directors, Michael J. Fedida, Albert F. Hummel and Catherine M. Klema, are scheduled to serve as directors until the 2014 Annual Meeting, at which time they will stand for election annually for one year terms. On January 24, 2013, Anthony Selwyn Tabatznik, who had served as a director since December 2, 2009, resigned from the Board. Mr. Tabatznik's decision to resign was not the result of any disagreement with the Company, its management or the Board of Directors.

Information about the nominees for director and our directors whose term of office will continue after the Annual Meeting is set forth in the following paragraphs and is based on information provided to us as of March, 2013. The Board of Directors knows of no reason why any of the following nominees will be unavailable to serve, but in the event of any such unavailability, the proxies received will be voted for such substitute nominees as the Board of Directors may recommend, unless the number of directors constituting a full Board of Directors is reduced.

Director Nominees for Election at the Annual Meeting:

Jack Michelson

Director since 2002

Jack Michelson, age 78, was our consultant from February 2001 to June 2003. Mr. Michelson served for 24 years as an officer of G.D. Searle & Co., a pharmaceutical company, as the Corporate Vice President and President, Technical Operations from 1993 to 2001; Senior Vice President of Technical Operations from 1981 to 1993; and Vice President of Production and Engineering from 1977 to 1981. The Board concluded that Mr. Michelson should serve as a member of our Board because of his deep knowledge of the operational, technical and regulatory aspects of our business.

Ronald R. Taylor

Director since 1994

Ronald R. Taylor, age 65, has been President of Tamarack Bay, LLC, a private consulting firm, since 2001. Mr. Taylor has been a director of Red Lion Hotels Corporation, a hotel operating company, since 1998 and a director of ResMed Inc., a medical device manufacturer, since 2005. Mr. Taylor was a limited partner of Enterprise Partners Venture Capital ("*Enterprise*"), a venture capital firm, from April 2001 until September 2002, and was formerly a general partner of Enterprise from April 1998 to March 2001. Mr. Taylor was also a consultant to Cardinal Health, Inc., a provider of healthcare products and services, from May 1996 to May 2002. The Board concluded that Mr. Taylor's qualifications to serve on our Board of Directors include his experience as a founder of a successful business and his expertise in evaluating and investing in healthcare companies.

ACTAVIS – 2013 Proxy Statement 9

[Back to Contents](#)

Andrew L. Turner

Director since 1997

Andrew L. Turner, age 66, was appointed as the Chairman of our Board in May 2008. He also serves as Manager of Trinity Health Systems, an owner of senior housing properties founded by Mr. Turner in 2009. Mr. Turner has been a director of Streamline Health Solutions, a provider of software for document solutions in hospitals, since 2007. Mr. Turner also serves as a director of Aston Healthcare Ltd., an operator of senior housing properties in the United Kingdom. The Board concluded that Mr. Turner's qualifications for service on our Board include his extensive experience as a healthcare entrepreneur and his deep knowledge of our Company and business.

Paul M. Bisaro

Director since 2007

Paul M. Bisaro, age 52, has served as our President and Chief Executive Officer and on our Board of Directors since 2007. Prior to joining us, 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 of Barr. Prior to joining Barr, he was associated with the law firm Winston & Strawn and a predecessor firm, Bishop, Cook, Purcell and Reynolds from 1989 to 1992. Mr. Bisaro received his undergraduate degree in General Studies from the University of Michigan in 1983 and a Juris Doctor from Catholic University of America in Washington, D.C. in 1989. The Board concluded that Mr. Bisaro should serve on the Board because of his experience as a senior executive in our industry, his knowledge of our Company and its day-to-day operations and his strong strategic vision for the Company.

Christopher W. Bodine

Director since 2009

Mr. Bodine, age 57, 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 has also been active in the pharmaceutical industry serving 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 concluded that Mr. Bodine should serve on the Board because of his extensive industry experience and knowledge of the needs and operations of our major customers.

Michel J. Feldman

Director since 1985

Michel J. Feldman, age 70, is a senior income partner of the law firm of Seyfarth Shaw LLP, where he has practiced since October 2003. Previously, Mr. Feldman was a member of the law firm of D'Ancona & Pflaum LLC, where he practiced from June 1991 to October 2003. Effective October 2003, D'Ancona & Pflaum LLC merged with Seyfarth Shaw LLP. Mr. Feldman is also a certified public accountant (inactive). The Board concluded that Mr. Feldman's

qualifications as a member of our Board of Directors include his legal expertise, business experience and more than 25 years of service as a Director of our Company.

Fred G. Weiss

Director since 2000

Fred G. Weiss, age 71, has been the managing director of FGW Associates, Inc., a consulting firm, since 1997. Mr. Weiss served as Vice President, Planning, Investment and Development of Warner-Lambert from 1983 to 1996 and prior to that served as Vice President and Treasurer of Warner-Lambert from 1979 to 1983, where he was involved in both strategic planning and corporate development. Mr. Weiss is also an Independent Vice-Chairman of the Board and Chairman of the Audit Committee of numerous BlackRock-sponsored mutual funds. In this capacity, and pursuant to BlackRock's policies, Mr. Weiss has oversight responsibility for finance and accounting matters, and has no responsibility for, or discretion concerning, any of BlackRock's equity investment decisions. Additionally, Mr. Weiss has been a Director of the Michael J. Fox Foundation for Parkinson's Research since 2000. The Board concluded that Mr. Weiss is qualified to serve as a member of our Board of Directors because of, among other factors, his financial expertise and experience in strategic planning and corporate development.

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

[Back to Contents](#)

Required Vote for Election of Directors

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

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

The Board of Directors unanimously recommends a vote **FOR the election of Jack Michelson, Ronald R. Taylor, Andrew L. Turner, Paul M. Bisaro, Christopher W. Bodine, Michel J. Feldman and Fred G. Weiss.**

Directors whose Terms Expire at the 2014 Annual Meeting:

Michael J. Fedida

Director since 1995

Michael J. Fedida, age 66, a registered pharmacist, has served for the past 27 years as an officer and director of several retail pharmacies wholly or partially owned by him, including J&J State Street Pharmacy from 2009 to present, J&J Saint Michael’s Pharmacy from 2005 to present; J&J Pharmacy and Classic Pharmacy from 1987 to present; Perfect Pharmacy from 1980 to 2000; and Phoster Pharmacy from 1985 to 2000. Mr. Fedida has been a director of Arbor Pharmaceuticals, Inc., a pediatric pharmaceutical company, since March 2010. Mr. Fedida served on the Board of Directors of Circa Pharmaceuticals, Inc. (“Circa”), from 1988 to 1995, at which time Circa was acquired by us. Mr. Fedida was a Director of Bradley Pharmaceuticals, Inc., a specialty pharmaceutical company, from April 2004 to February 21, 2008. The Board concluded that Mr. Fedida should serve as a director because of his decades of experience as a practicing pharmacist and manager of a number of pharmacy businesses, which help him to bring the perspective of pharmacists and customers to the deliberations of the Board.

Albert F. Hummel

Director since 1986

Albert F. Hummel, age 68, has been our director since March 1986, except for a period from July 1991 to October 1991. Mr. Hummel has been President of Pentech Pharmaceuticals, Inc., a development stage pharmaceutical company, since July 1998 and CEO and Director of Cobrek Pharmaceuticals, Inc., a private venture-backed pharmaceutical research and development firm and an affiliate of Pentech, from May 2008 until December, 2012. Since November 2005, Mr. Hummel has been a director for Obagi Medical Products, Inc., a specialty pharmaceutical company focused on the aesthetic and therapeutic skin health markets. Mr. Hummel was appointed President and Chief Executive Officer of Obagi on April 21, 2011. Additionally, Mr. Hummel served as a partner in Affordable Residential Communities, a property management firm, from January 1994 through March 2006. The Board concluded that Mr. Hummel should serve on the Board because he brings extensive capital markets and strategic planning experience to our Board.

Catherine M. Klema

Director since 2004

Catherine M. Klema, age 54, is currently President of Nettleton Advisors LLC, a consulting firm established by Ms. Klema in 2001. Ms. Klema served as Managing Director, Healthcare Investment Banking, at SG Cowen Securities from 1997 to 2001. While at SG Cowen, Ms. Klema had advised us on investment banking matters. 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 – 2011. In March 2012, Ms. Klema was appointed to the Montefiore Medical Center Board of Trustees. The Board concluded that Ms. Klema's qualifications for service on our Board include her background in healthcare investment banking and her knowledge of the business of pharmaceutical research and development.

ACTAVIS – 2013 Proxy Statement 11

[Back to Contents](#)

CORPORATE GOVERNANCE

Corporate Governance Guidelines and Code of Conduct

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

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

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

Director Independence

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

Our Board has determined that at least a majority of its directors has no direct or indirect material relationship with us (other than as our director) and such directors are independent within the meaning of the independence standards promulgated by the SEC and the NYSE. Specifically, on March 6, 2013, the Board determined, based on our Director Independence Standards and the NYSE standards for independence, that Christopher W. Bodine, Michael Fedida, Michel Feldman, Albert Hummel, Catherine Klema, Jack Michelson, Ronald Taylor, Andrew Turner and Fred Weiss, or nine out of our ten current directors, have no material relationship with us and are independent directors. Mr. Bisaro was determined to be not independent, because he is our President and Chief Executive Officer. Mr. Tabatznik, who resigned from our Board on January 24, 2013, was previously determined to be not independent because of the fact that, among other things, he served as an employee of the Arrow Group prior to our acquisition of the Arrow Group in 2009, and was a party to a consulting agreement with us during the period from May 10, 2010 through May 9, 2011.

The relationships and transactions reviewed by the Board in making these independence determinations included the following:

(i)

Mr. Bodine's service as an employee of CVS Caremark Corporation, a customer of the Company, through January of 2009, including as Special Advisor to the Chief Executive Officer of CVS Caremark Corporation from July 29, 2008 and, prior to that, as Executive Vice President of CVS Caremark Corporation and President — Caremark Pharmacy Services;

(ii)

Mr. Fedida's ownership of pharmacies that from time to time purchase pharmaceuticals from Anda, Inc., one of our subsidiaries that is a wholesaler distributor;

(iii)

Ms. Klema's former directorship with Pharmaceutical Product Development, Inc., a contract research organization that has provided services for us in the past;

(iv)

Mr. Taylor's former directorship of 3e Company, a privately-held compliance information services company that has provided services for us in the past; and

(v)

Mr. Hummel's (i) current service as a director and officer of Obagi Medical Products, Inc. a specialty pharmaceutical company focused on the aesthetic and therapeutic skin health markets; and (ii) former service as a director and officer of Pentech Pharmaceuticals, Inc., and its affiliate, Cobrek Pharmaceuticals, Inc., a private development stage pharmaceutical company engaged in the development and commercialization of pharmaceutical products.

The Board has determined that these transactions were made in the ordinary course, were below the thresholds set forth in our director independence standards and did not affect the independence of the directors involved.

[Back to Contents](#)

Risk Oversight; Assessment of Compensation Risk

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

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

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

[Back to Contents](#)

BOARD OF DIRECTORS AND COMMITTEES

Executive Sessions

We schedule regular executive sessions in which non-management directors meet without management participation. The Chairman of the Board, Mr. Turner, presides at these meetings. We also schedule regular executive sessions in which only independent directors meet.

Communications with the Board of Directors

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

Chairman, Nominating and Corporate Governance Committee

c/o Corporate Secretary

Actavis, Inc.

Morris Corporate Center III

400 Interpace Parkway,

Parsippany, NJ 07054

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

Leadership Structure

The Board of Directors has determined that having an independent director serve as Chairman of the Board is in the best interest of stockholders at this time. We separate the roles of Chief Executive Officer and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for setting the strategic direction for the Company and the day to day leadership and performance of the Company, while the Chairman of the Board provides guidance to the CEO, sets the agenda for Board meetings and presides over meetings of the full Board. We also believe that this structure ensures a greater role for the independent directors in the oversight of the Company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board. We also believe that this leadership structure is preferred by a significant number of our stockholders.

Director Nomination Process

The Nominating and Corporate Governance Committee considers director candidates from diverse sources, including suggestions from stockholders. From time to time, the Nominating and Corporate Governance Committee may engage a third party for a fee to assist in identifying potential director candidates. The Nominating and Corporate Governance Committee looks for candidates who represent a diverse mix of backgrounds and experiences that will enhance the quality of the board's deliberations and decisions. The backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Specifically, this committee seeks candidates who (a) bring not only direct experience, but also a variety of experience and background, both professionally and personally, (b) will represent the best interests of the stockholders as a whole rather than special interest groups or particular constituencies, (c) have a reputation for integrity and (d) satisfy the independence requirements of the NYSE, our Director Independence Standards and applicable law. The Nominating and Corporate Governance Committee's goal is to have a diverse, balanced and engaged board whose members possess the skills and background necessary to maximize stockholder value in a manner consistent with all legal requirements and the highest ethical standards. Our Corporate Governance Guidelines specify that the value of diversity on the Board should be considered by the Nominating and Corporate Governance Committee in the director identification and nomination process. This committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The Nominating and Corporate Governance Committee's Charter and our Corporate Governance Guidelines, which are published on our website at <http://www.Actavis.com> under the Investors section, set forth in further detail the criteria that guide this committee in assessing potential candidates for the Board of Directors.

[Back to Contents](#)

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

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

Stockholders wishing to recommend a director candidate for consideration by the Nominating and Corporate Governance Committee may do so by sending the candidate's name, biographical information and qualifications, together with a consent in writing signed by the recommended nominee that he or she is willing to be considered as a nominee and, if nominated and elected, he or she will serve as a director, to the Chair of the Nominating and Corporate Governance Committee in care of the Corporate Secretary, Actavis, Inc., Morris Corporate Center III, 400 Interpace Parkway, Parsippany, NJ 07054. The submission of a recommendation by a stockholder in compliance with these procedures does not guarantee the selection of the stockholder's candidate or the inclusion of the candidate in our Proxy Statement. However, the Nominating and Corporate Governance Committee will consider any such candidate in accordance with the procedures and guidelines as described above and as set forth in the Charter of our Nominating and Corporate Governance Committee and in our Corporate Governance Guidelines.

Board Meetings

During the fiscal year ended December 31, 2012, the Board of Directors held nine meetings and executed one unanimous written consent in lieu of a meeting. Each incumbent director attended at least 75 percent of the combined total of (i) all Board of Directors and (ii) all meetings of committees of which the director was a member. We do not have a policy with regard to board members' attendance at annual meetings. All members of the Board then in office attended our 2012 Annual Meeting of Stockholders.

Committees

The Board of Directors has created four standing committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Regulatory Compliance Committee. The Board of Directors has adopted a charter for each of the four committees. The charters for each committee and other materials related to corporate governance are available under the Investors section of our website at <http://www.Actavis.com>. A copy is also available to stockholders upon request sent to Investor Relations at Actavis, Inc., Morris Corporate

Center III, 400 Interpace Parkway, Parsippany, NJ 07054.

The Audit Committee

We have an Audit Committee currently composed of Michel J. Feldman, Albert F. Hummel, Ronald R. Taylor and Fred G. Weiss. Each member of the Audit Committee served as such throughout fiscal year 2012.

Mr. Weiss serves as the Chairman of the Audit Committee. All of the members of the Audit Committee have been determined by the Board of Directors to be “independent” and meet the audit committee independence requirements of the NYSE listing standards and SEC Rule 10A-3. The Board of Directors has determined that all of the current members of the Audit Committee qualify as “audit committee financial experts” within the meaning of the SEC rules, and are financially literate as required under the NYSE listing standards. The functions of the Audit Committee and its activities during fiscal 2012 are described below under the heading “Report of the Audit Committee.” The Audit Committee is directly responsible for the engagement, compensation and oversight of the work of PricewaterhouseCoopers LLP (including resolution of disagreements, if any, between management and PricewaterhouseCoopers LLP regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. During the fiscal year ended December 31, 2012, the Audit Committee met five times.

[Back to Contents](#)

The Compensation Committee

We have a Compensation Committee currently composed of Christopher W. Bodine, Michael J. Fedida, Catherine M. Klema and Ronald R. Taylor. Each member of the Compensation Committee served as such throughout fiscal year 2012.

Mr. Taylor serves as the Chairman of the Compensation Committee. All of the members of the Compensation Committee have been determined by the Board of Directors to be “independent” and meet the independence requirements of the NYSE listing standards. Our Board has determined that all current Compensation Committee members qualify as “non-employee directors” within the meaning of Section 16 of the Exchange Act and as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code. The primary purpose of the Compensation Committee is to: (1) evaluate the performance and determine the compensation of our chief executive officer; (2) review and determine the compensation payable to our executive officers; (3) make recommendations to the board of directors regarding the compensation payable to members of the board of directors; (4) review our incentive compensation and other stock-based plans and administer our stock based plans and our incentive compensation plan; (5) oversee the use of senior executive employment agreements and severance plans; (6) review compensation programs and policies for features that may encourage excessive risk taking, and determine the extent to which there may be a connection between compensation and risk; and (7) review and approve the Compensation Discussion and Analysis to be included in the Proxy Statement for our annual meetings.

The Compensation Committee engaged F.W. Cook, an independent compensation consulting firm, to advise the Compensation Committee during the 2012 fiscal year. F.W. Cook reported directly to the Compensation Committee and the Compensation Committee retains the right to terminate or replace the consultant at any time. Additional information on the Compensation Committee’s processes and procedures for consideration of executive compensation, including the role of our chief executive officer, are addressed in the Compensation Discussion and Analysis beginning on page 17. The Compensation Committee met five times and executed two unanimous written consents in lieu of a meeting during the fiscal year ended December 31, 2012.

The Nominating and Corporate Governance Committee

We have a Nominating and Corporate Governance Committee currently composed of Christopher W. Bodine, Catherine M. Klema, Jack Michelson and Fred G. Weiss. Each member of the Nominating and Corporate Governance Committee served as such throughout fiscal year 2012. Ms. Klema serves as the Chairperson of the Nominating and Corporate Governance Committee. All of the members of the Nominating and Corporate Governance Committee have been determined by the Board of Directors to be “independent” and meet the independence requirements of the NYSE listing standards. The key functions of the Nominating and Corporate Governance Committee are to identify and present qualified candidates to the Board of Directors for election or re-election as directors of the Company, ensure that the size and composition of the Board of Directors and its committees best serve our practices and objectives, develop and recommend to the Board of Directors a set of corporate governance guidelines and principles and periodically review and recommend changes to such guidelines and principles as deemed appropriate, oversee the evaluation of the Board of Directors and senior management, and make recommendations to the Board regarding governance matters, including our Charter and Bylaws. The Nominating and Corporate Governance Committee met two times during the fiscal year ended December 31, 2012.

The Regulatory Compliance Committee

Edgar Filing: Actavis, Inc. - Form DEF 14A

We have a Regulatory Compliance Committee currently composed of Michael J. Fedida, Michel J. Feldman, Albert F. Hummel and Jack Michelson. Each was a member of the Regulatory Compliance Committee throughout fiscal year 2012. Mr. Michelson serves as the Chairman of the Regu