

Horizon Pharma plc
Form PRE 14A
March 10, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

Filed by the Registrant

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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

Horizon Pharma Public Limited Company

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box)

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PRELIMINARY PROXY STATEMENT

DATED MARCH 10, 2017 SUBJECT TO COMPLETION

**HORIZON PHARMA PUBLIC LIMITED COMPANY
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

May 3, 2017

NOTICE AND PROXY STATEMENT

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, 2017

Dear Fellow Shareholder:

In 2016, Horizon Pharma delivered another exceptional year of financial performance for our shareholders. We also achieved an important milestone for our company, surpassing \$980 million in GAAP net sales and \$1 billion in non-GAAP adjusted net sales¹ following rapid growth and transformation over the last five years. In 2011, for perspective, we generated \$7 million in sales in our first year as a publicly traded company.

We've accomplished a great deal over the last five years—executing on our organic growth opportunities, evolving our business model and completing six acquisitions that have diversified our company from two to 11 medicines, led now by our fast-growing orphan medicines.

In 2016, we delivered GAAP net sales and non-GAAP adjusted net sales of \$981 million and \$1.046 billion¹, respectively, increases of 30 percent and 38 percent, respectively, over the prior year, driven by growth in each of our three business units: orphan, rheumatology and primary care. In 2016, our GAAP net loss, non-GAAP adjusted net income and adjusted EBITDA² were \$167 million³, \$354 million and \$471 million, respectively⁴. We also ended 2016 with a cash balance of \$509 million.

In addition to delivering on our financial commitments, we continued to shape and transform our company, completing two strategic transactions that brought us three rare disease medicines—KRYSTEXXA, for refractory chronic gout, PROCYSBI for the rare genetic disease, nephropathic cystinosis, and QUINSAIR for chronic pulmonary infections associated with cystic fibrosis. We expect KRYSTEXXA and PROCYSBI in particular to be meaningful growth drivers for our orphan business and we believe that combined both medicines will exceed \$550 million in peak year sales. We also secured contracts with three leading pharmacy benefit managers to improve patient access and long-term durability for our clinically differentiated primary care medicines.

While our talented team of employees executed well on our business strategy over the past year, 2016 was a challenging year for our sector and our share price, driven in part by uncertainty surrounding U.S. healthcare policy, which has continued into 2017. Horizon Pharma's one-year total shareholder return in 2016 declined 25 percent, in line with our peer group⁵ as well as the NASDAQ Biotechnology Index (NBI). However, a longer-term view on our total shareholder return demonstrates that Horizon Pharma has significantly outperformed its peer group and the NBI over the last three- and five-year periods: up 112 percent in the three-year period, as compared to 19 percent for our peer group and 18 percent for the NBI and up nearly 305 percent in the five-year period, as compared to 210 percent for our peer group and 159 percent for the NBI.

We were also recognized in multiple Best Places to Work Surveys in 2016, including the 2016 *Crain's Chicago Business* Best Places to Work for Women Over 35, 2016 100 Best Medium Workplaces by *Fortune Magazine* and 2016 *Chicago Tribune's* Top Midsize Workplaces.

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

- ¹ On September 26, 2016, Horizon Pharma agreed to pay Express Scripts, Inc. (Express Scripts) \$65 million as part of a litigation settlement, which was recorded as a one-time reduction to GAAP net sales for the three months ended September 30, 2016, in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The exclusion of the \$65 million settlement from GAAP net sales is the only adjustment reflected in 2016 non-GAAP adjusted net sales.
- ² Adjusted earnings before interest, taxes, depreciation and amortization and other amounts (Adjusted EBITDA) are used and provided by us as non-GAAP financial measures so our investors have a more complete understanding of Horizon Pharma's financial performance. In addition, this non-GAAP financial measure is among the indicators our management uses for planning and forecasting purposes and measuring the Company's performance.
- ³ 2016 net losses were primarily due to the impairment of in-process research and development and other wind-down costs and charges related to the discontinuation of ACTIMMUNE development for Friedreich's ataxia and acquisition-related costs primarily related to the acquisition of Raptor Pharmaceutical Corp. (Raptor).
- ⁴ Please refer to the discussion of non-GAAP financial measures and the reconciliations thereof to GAAP measures beginning on page 107 of our Annual Report on Form 10-K for the year ended December 31, 2016, which discussion and reconciliations are incorporated herein by reference.
- ⁵ The peer group used for the total shareholder return (TSR) calculations for the 1-, 3- and 5-year periods ending December 31, 2016 is our August 2015 peer group (shown on page 28) but excludes Medivation, Inc. from such calculations because it was acquired by Pfizer, Inc. in September 2016.

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You are cordially invited to attend the Annual General Meeting of Shareholders on Wednesday, May 3, 2017, at 3:00 p.m. local time at our corporate headquarters, located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland.

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

Thank you for your continued support.

Sincerely,

Timothy P. Walbert
Chairman, President and Chief Executive Officer

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Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting of Shareholders to Be Held on Wednesday, May 3, 2017, at 3:00 p.m. Local Time at Our Corporate Headquarters, Located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland.

Dear Shareholder:

We will be holding the Annual General Meeting of Shareholders of Horizon Pharma plc on Wednesday, May 3, 2017, at 3:00 p.m. local time at our corporate headquarters, located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland for the following purposes:

- 1. Proposal 1:** To elect, by separate resolutions the two nominees for Class III directors named herein to hold office until the 2020 Annual General Meeting of Shareholders.
- 2. Proposal 2:** To approve the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017, and to authorize the Audit Committee of our Board of Directors (Board) to determine the auditors' remuneration.
- 3. Proposal 3:** To approve, on an advisory basis, the compensation of our named executive officers, as disclosed in this Proxy Statement.
- 4. Proposal 4:** To authorize us and/or any of our subsidiaries to make market purchases or overseas market purchases of our ordinary shares.
- 5. Proposal 5:** To approve an amendment to our Articles of Association to provide that, in the event of a contested director election, directors will be elected by a plurality voting standard.
- 6.** To conduct any other business properly brought before the meeting.

The Board recommends that you vote FOR each of the nominees for director named herein and FOR Proposals 2 through 5.

Our Irish statutory financial statements for the fiscal year ended December 31, 2016, including the reports of the directors and statutory auditors thereon, will be presented at the Annual General Meeting. There is no requirement under Irish law that such statements be approved by the shareholders, and no such approval will be sought at the Annual General Meeting.

For the purposes of our Articles of Association, Proposals 1 and 2 and the receipt and consideration of the Irish statutory financial statements by us at the Annual General Meeting are deemed to be ordinary business, and Proposals 3, 4 and 5 are deemed to be special business. Shareholders of as of March 6, 2017, the record date for the Annual General Meeting, are entitled to notice of the Annual General Meeting and to vote at the Annual General Meeting or any adjournment or postponement thereof.

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We ask that you review the Proxy Statement carefully and complete, sign, date and return the enclosed proxy card in the envelope provided or vote over the internet or by telephone as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) has been provided for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

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

By Order of the Board of Directors

David G. Kelly

Company Secretary

Dublin 4, Ireland

, 2017

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This summary highlights certain information contained elsewhere in this Proxy Statement and does not contain all of the information that you should consider. You should read the entire Proxy Statement carefully before voting. For more complete information regarding our business and 2016 performance, please review our Annual Report on Form 10-K for the year ended December 31, 2016.

Voting Items and Board Recommendations

	Proposal	Board Recommendations
1	Election of Directors (page 10)	FOR All Nominees
2	Appointment of Independent Registered Public Accounting Firm and Authorization of the Audit Committee to Determine the Auditors' Remuneration (page 48)	FOR
3	Approval, on an Advisory Basis, of Executive Compensation (page 50)	FOR
4	Authorization to Make Market Purchases of Ordinary Shares (page 51)	FOR
5	Amendment of Articles of Association to Provide that, in the Event of a Contested Director Election, Directors Will be Elected by a Plurality Voting Standard (page 52)	FOR

Business Overview

In 2016, we delivered strong results to create long-term value for our shareholders. We continued to progress on our long-term strategy of building a more-diversified and durable, high-growth biopharmaceutical company anchored by a growing mix of rare disease medicines. We have grown both organically and through strategic acquisitions and today have 11 medicines across three business units: orphan, rheumatology and primary care.

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Strong and Consistent Financial Performance

In 2016, we delivered another record sales year and achieved an important milestone for our company, surpassing \$1 billion in non-GAAP adjusted net sales in 2016 following rapid growth and transformation over the last five years. In 2011, for perspective, we generated \$7 million in sales in our first year as a publicly traded company.

Note: The 2014 and 2015 total net sales of \$297 million and \$757 million, respectively, represent GAAP net sales and the 2016 total net sales of \$1,046 million represents non-GAAP adjusted net sales. On September 26, 2016, Horizon Pharma agreed to pay Express Scripts \$65 million as part of a litigation settlement, which was recorded as a one-time reduction to GAAP net sales for the three months ended September 30, 2016, in accordance with GAAP. The exclusion of the \$65 million settlement from GAAP net sales is the only adjustment reflected in 2016 non-GAAP adjusted net sales.

Diversification and Growth

We've accomplished a great deal over the last five years—executing on our organic growth opportunities, evolving our business model and completing six acquisitions that have diversified our company from two medicines in 2013 to 11 medicines in 2016 across three business units: orphan, rheumatology and primary care.

In addition to delivering on our financial commitments, we continued to shape and transform our company in 2016, completing two strategic transactions that brought us three rare disease medicines—KRYSTEXXA, for refractory chronic gout, PROCYSBI for the rare genetic disease, nephropathic cystinosis, and QUINSAIR for chronic pulmonary infections associated with cystic fibrosis. We also delivered on our commitment to secure greater formulary access for our primary care medicines providing improved patient access and long-term durability for our clinically differentiated primary care medicines.

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While our talented team of employees executed well on our business strategy over the past year, 2016 was a challenging year for our sector and our share price, driven in part by uncertainty surrounding U.S. healthcare policy, which has continued into 2017. Our one-year TSR in 2016 declined 25 percent, in line with our peer group as well as the NBI. However, a longer-term view on our TSR demonstrates that we have significantly outperformed our peer group and the NBI over the last three-and five-year periods.

Note: The peer group used for the TSR calculations for the 1-, 3- and 5-year periods ending December 31, 2016 is our August 2015 peer group (shown on page 28) but excludes Medivation, Inc. from such calculations because it was acquired by Pfizer, Inc. in September 2016.

Director Nominees and Continuing Directors

					Other
		Director			Current
Name	Age	Since	Principal Position	Independent	Public Boards
2017 Director Nominees⁽¹⁾					
Timothy P. Walbert	50	2008	Chairman, President and Chief Executive Officer	No	2 ⁽²⁾
Gino Santini	60	2012	Chairman, AMAG Pharmaceuticals, Inc.	Yes	3
Continuing Directors					
William F. Daniel	65	2014	Director, Malin Corporation plc	Yes	1
H. Thomas Watkins	64	2014	Chairman, Vanda Pharmaceuticals Inc.	Yes	1
Michael Grey	64	2011	Executive Chairman of Amplyx Pharmaceuticals, Inc. and Chairman and Chief Executive Officer, Reneo Pharmaceuticals, Inc.	Yes	2
Jeff Himawan, Ph.D.	51	2007	Managing Director, Essex Woodlands Health Ventures, L.P.	Yes	2
Ronald Pauli	56	2011	Chief Financial Officer, BioQ Pharma, Inc.	Yes	-

(1) There are three directors whose term of office expires in 2017, one of whom, Virinder Nohria, M.D. Ph.D., will not be subject to re-election at the 2017 Annual General Meeting.

(2) Excludes XOMA Corporation as Mr. Walbert is not standing for re-election in May 2017.

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Corporate Governance Highlights

Independent Oversight	Continuous Improvement
Six out of eight of our directors are independent	Annual Board and committee self-evaluations
All Board committees are comprised solely of independent directors	Risk oversight by the full Board and committees
Lead independent director with clearly delineated duties	Ongoing shareholder engagement efforts
Diverse Board in terms of experience, education and talents	
Strong Governance Practices	Shareholder Rights
Regular executive sessions of independent directors	Majority voting for elections of directors ⁽¹⁾
Independent compensation consultant reporting directly to the Compensation Committee	Shareholder ability to call extraordinary general meeting
Board and committees may engage outside advisors independently of management	Directors may be removed by ordinary resolution with majority vote of the shareholders
Share ownership guidelines for directors and executive officers	

Annual advisory approval of executive compensation

Anti-hedging/pledging policy

- (1) We are proposing, as described in this Proxy Statement, an amendment to our Articles of Association to provide that, in the event of a contested director election, directors will be elected by a plurality voting standard. See Proposal 5 for further details.

Executive Compensation Overview

Our executive compensation program emphasizes three major pay considerations and this is how we currently achieve them.

Pay Considerations	What We Do	What We Don't Do
Ø Long-Term Performance	Aligned executive compensation with corporate and individual performance	No guaranteed bonuses or salary increases
	Maintain strong share ownership guidelines for our directors and executives	No single-trigger vesting of equity upon a change in control
Ø Executive and Shareholder Alignment	Two-year post-vesting holding requirements on performance stock unit (PSU) grants	No repricing of stock options without shareholder approval
	Apply anti-pledging and anti-hedging policy for Company shares	No dividends or dividend equivalents are paid on unearned shares
Ø Risk Mitigation	Engage an independent advisor reporting directly to the Compensation Committee	
	Maintain an appropriate balance between short-term and long-term compensation which discourages short-term risk taking at the expense of long-term results	
	Conduct compensation risk assessments	

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With a strategic focus on growing the business over the long term, it is imperative that our executive compensation program motivates our talented management team in such a manner as to encourage and reward successful execution of this business strategy. We utilize the following compensation elements to achieve this:

Element	Form	Performance Period	Objective
Base Salary	Cash (fixed)	Annual	Recognition of an individual's role and responsibilities; provides competitive pay for retention purposes
Short-Term Incentive	Cash (variable)	Annual	Variable pay designed to reward achievement of annual financial and corporate objectives and individual goals
Long-Term Incentives	Equity (variable), Cash Long-Term Incentive Program (LTIP) (variable)	Multi-year	Promotes an ownership culture and aligns the interests of executives with those of shareholders; provides meaningful incentives for management to execute on longer-term financial and strategic growth goals that drive shareholder value creation; and supports the Company's retention strategy

Shareholder Engagement

We value the views of our shareholders, and have made meaningful engagement with our shareholders on compensation and governance issues a priority. Feedback garnered during these outreach efforts informs the Compensation Committee's thinking when evaluating our current compensation program and when considering potential modifications to the program on a go-forward basis. For the past three years, led by the Chairman of our Compensation Committee, we have conducted continued and consistent engagement with our shareholders.

Last year at the 2016 Annual General Meeting of Shareholders, our say-on-pay proposal received the support of approximately 64 percent of the shares voted. Our Board was disappointed in this outcome and, through shareholder engagement, we realized that several shareholders were not supportive of the front-loaded equity grant approach (where we granted three-year performance shares to our executive team) in 2015 and the reported value of those grants (although the realized value was and still is effectively zero).

Since that meeting, our Compensation Committee and management has conducted a comprehensive shareholder outreach and engagement program to solicit feedback, understand investor concerns and further discuss the mechanisms and rationale of the 2015 grants. We reached out to shareholders representing more than 40 percent of our outstanding ordinary shares, as well as two of the leading proxy advisory firms, Institutional Shareholder Services, Inc. and Glass Lewis & Co. These discussions have been productive and informative, and have helped ensure that our Board's ongoing decisions are aligned with shareholder objectives. During these discussions, our shareholders have generally been supportive of our business and growth strategy as well as our compensation philosophy.

In addition, in response to the input we received from our shareholders during these discussions:

The next time that we grant equity awards to our executive officers such awards will not be front-loaded awards that are intended to cover a multiple-year period.

We have enhanced the design and disclosure in our Compensation Discussion and Analysis and added a Proxy Statement Summary to make our Proxy Statement more reader friendly and better illustrate how our pay decisions are tied to our performance.

We will continue to examine our peer group constituents going forward to ensure that this group is appropriate in light of our size, complexity and profitability.

We will maintain ongoing communication with our shareholders, as we have for the last three years.

We intend to manage our equity incentive plan burn rate for future years.

Additionally, as we have previously committed, at the expiration of the three-year PSU performance period in 2018, any of the PSUs that are not earned due to our failure to attain the requisite performance criteria will be cancelled at such time and the related ordinary shares will not be added back in the pool of shares available for grant under our equity plan.

Please see our Compensation Discussion and Analysis on page 20 for additional information on our compensation philosophy.

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QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

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

How do I attend the Annual General Meeting?

The meeting will be held on Wednesday, May 3, 2017, at 3:00 p.m. local time at our corporate headquarters, located at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland. Directions to the Annual General Meeting may be found at

<https://www.google.com/maps/place/Connaught+House,+Burlington+Rd,+Dublin+4,+Ireland>. Information on how to vote in person at the Annual General Meeting is provided below. However, you do not need to attend the Annual General Meeting to vote your ordinary shares.

Who can vote at the Annual General Meeting?

Only shareholders of record at the close of business on March 6, 2017 will be entitled to vote at the Annual General Meeting. On this record date, there were 162,362,764 of our ordinary shares outstanding and entitled to vote.

Shareholder of Record (shares registered in your name). If on March 6, 2017, your shares were registered in your name in our Register of Members which is maintained by Horizon Pharma's transfer agent, Computershare Shareowner Services LLC, then you are a shareholder of record. As a shareholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the internet as instructed below to ensure your vote is counted.

Beneficial Owner (shares registered in the name of a broker or bank). If on March 6, 2017, your shares were not registered in your name in our Register of Members, but rather held in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the Annual General Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual General Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are five matters scheduled for a vote:

Election of two Class III directors named in this Proxy Statement to hold office until the 2020 Annual General Meeting of Shareholders (Proposal 1);

Approval of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017 and the authorization of the Audit Committee of our Board to determine the auditors' remuneration (Proposal 2);

Advisory approval of the compensation of our named executive officers, as disclosed in this Proxy Statement (Proposal 3);

Authorization for us and/or any of our subsidiaries to make market purchases or overseas market purchases of our ordinary shares (Proposal 4); and

Approval of an amendment to our Articles of Association to provide that, in the event of a contested director election, directors will be elected by a plurality voting standard (Proposal 5).

What if another matter is properly brought before the meeting?

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

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How do I vote?

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

The procedures for voting are fairly simple:

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

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

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

To vote over the telephone, dial toll-free 1-800-652-VOTE (8683) within the United States, U.S. territories and Canada using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 p.m., Eastern Time on May 2, 2017, to be counted.

To vote through the internet, go to <http://www.envisionreports.com/hznp> to complete an electronic proxy card. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 p.m. Eastern Time on May 2, 2017, to be counted.

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

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

Joint Holders. In the case of joint holders of record, any one of such holders may vote either in person or by proxy in respect thereof as if he or she were the sole holder thereof, but the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this

purpose seniority shall be determined by the order in which the names stand in the Company's Register of Members.

How many votes do I have?

On each matter to be voted upon, you have one vote for each ordinary share you own as of March 6, 2017.

What happens if I do not vote?

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

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

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

If you return a signed and dated proxy card or otherwise vote without marking voting selections, then the Company designated proxy holders (one of the individuals named on your proxy card) will vote your shares in the manner recommended by our Board on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the meeting. If any other matter is properly presented at the meeting, your proxy holder will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

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

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

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

Can I change my vote after submitting my proxy?

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

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

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

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

You may attend the Annual General Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

Your most current proxy card or telephone or internet proxy is the one that is counted.

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

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

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

How are votes counted?

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

What are broker non-votes ?

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

Table of Contents**What is the quorum requirement?**

A quorum of shareholders is necessary to hold a valid meeting. A quorum will be present if shareholders holding a majority of the issued and outstanding ordinary shares entitled to vote are present at the meeting in person or represented by proxy. On the record date, there were 162,362,764 ordinary shares outstanding and entitled to vote. Thus, the holders of 81,181,383 ordinary shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or, provided that you are a shareholder of record, if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, within one hour of the time appointed for the Annual General Meeting, the Annual General Meeting will stand adjourned to May 10, 2017, at 3:00 p.m. local time at the same location, or such other time or place as the Board may determine.

Assuming there is a quorum of shares present at the Annual General Meeting, how many votes are needed to approve each proposal?

Proposal	Vote Required
1. Election of Directors	Majority of the votes cast
2. Appointment of Independent Registered Public Accounting Firm and Authorization of the Audit Committee to Determine the Auditors' Remuneration	Majority of the votes cast
3. Approval, on an Advisory Basis, of Executive Compensation	Majority of the votes cast
4. Authorization to Make Market Purchases of Ordinary Shares	Majority of the votes cast
5. Amendment of Articles of Association to Provide that, in the Event of a Contested Director Election, Directors Will be Elected by a Plurality Voting Standard	75% of the votes cast

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

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

What are the Irish statutory financial statements?

We are presenting our Irish statutory financial statements, including the reports of the directors and the statutory auditors thereon, at the Annual General Meeting, and we are making a copy of them available for download in PDF format in the Investors section (see Annual Reports subsection) of our website (www.horizonpharma.com) on or before April 11, 2017. Since we are an Irish company, we are required to prepare Irish statutory financial statements under applicable Irish company law and to deliver those accounts to shareholders of record in connection with our Annual General Meetings of Shareholders. The Irish statutory financial statements cover the results of operations and financial position of Horizon Pharma plc for the year ended December 31, 2016. Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the state of the group's and parent company's affairs at the end of the financial year and of the group's profit or loss for the financial year. Under that law, the directors have prepared the group's consolidated financial statements in accordance with U.S. generally accepted

accounting principles, as defined in Section 279 of the Irish Companies Act 2014, to the extent that the use of those principles in the preparation of the consolidated financial statements does not contravene any provision of the Irish Companies Act or of any regulations made thereunder and the parent company financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

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

What proxy materials are available on the internet?

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

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PROPOSAL 1

ELECTION OF DIRECTORS

The Board is divided into three classes. Each class consists, as nearly as possible, of one-third of the total number of directors, and each class has a three-year term. The Board currently consists of eight members (but will be decreased to seven members as described below), as follows:

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

Class II: Michael Grey, Jeff Himawan, Ph.D. and Ronald Pauli, whose term will expire at our 2019 Annual General Meeting of Shareholders; and

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

The authorized number of directors may be changed only by resolution of the Board. Any additional directorships resulting from an increase in the number of directors will be distributed between the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of the Board may have the effect of delaying or preventing changes in our control or management. Our directors may be removed by ordinary resolution with majority vote of the Company's shareholders at a general meeting provided that notice of such resolution has been given in accordance with Section 146 of the Irish Companies Act 2014. Vacancies on the Board may be filled only by persons elected by a majority of the directors then in office, provided that a quorum is present. A director elected by the Board to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified.

There are currently three directors in Class III whose term of office expires in 2017, one of whom, Virinder Nohria, M.D., Ph.D., will not be subject to re-election at the 2017 Annual General Meeting. In connection with such director's term expiring, the authorized size of the Board will be decreased to seven members. Each of the nominees listed below in Class III is currently a director of the Company who was nominated for election by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. In order to be elected as a director, each nominee must receive the affirmative vote of a majority of the votes cast by the holders of ordinary shares represented at the Annual General Meeting in person or by proxy. If elected, each of these nominees would serve until the 2020 Annual General Meeting of Shareholders and until his successor has been duly elected and qualified, or, if sooner, until the director's death, resignation, disqualification or removal.

Class III Directors Whose Terms Expire at the 2017 Annual General Meeting of Shareholders and are Nominees for Election

Gino Santini, age 60

Director since March 2012

Committee Member: Compensation, Transaction (Chair)

Mr. Santini currently serves as the chairman of the board of directors of AMAG Pharmaceuticals, Inc., a public biopharmaceutical company, and serves on the board of directors of Intercept Pharmaceuticals, Inc. and Collegium Pharmaceutical, Inc., each a public biopharmaceutical company. Mr. Santini serves on the board of directors of Allena Pharmaceuticals, Inc., Artax Biopharma Inc. and Intarcia Therapeutics, Inc., each a private biopharmaceutical company, and is retired from a distinguished career with Eli Lilly and Company, a public pharmaceutical company. Mr. Santini previously served on the board of directors of Sorin SpA, a public medical products group, from 2012 to 2015, when it was acquired by LivaNova PLC and Vitae Pharmaceuticals, Inc., a public biotechnology company, from 2014 to 2016. During his tenure at Eli Lilly and Company from June 1983 to December 2010, Mr. Santini held various leadership positions. Mr. Santini, fluent in four languages, holds an undergraduate degree in mechanical engineering from the University of Bologna and a master's degree in business administration from the University of Rochester.

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

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Timothy P. Walbert, age 50

Chairman of the Board since March 2010, Director since June 2008

Committee Member: None

Mr. Walbert has served as our president and chief executive officer since June 2008 and has served as the chairman of our Board since March 2010. From May 2007 to June 2009, Mr. Walbert served as president, chief executive officer and director of IDM Pharma, Inc., a public biopharmaceutical company which was acquired by Takeda America Holdings, Inc. in June 2009. Prior to that, Mr. Walbert served as executive vice president, commercial operations of NeoPharm, Inc., a public biopharmaceutical company. From June 2001 to August 2005, Mr. Walbert served as divisional vice president and general manager, Immunology, where he led the global development and launch of the multi-indication biologic HUMIRA and divisional vice president, global cardiovascular strategy at Abbott, now AbbVie. Mr. Walbert also serves as chairman of the board of Egalet Corporation, a public pharmaceutical company, and sits on the board of directors of Sucampo Pharmaceuticals, Inc., a public biopharmaceutical company. Mr. Walbert serves as Chairman of the Illinois Biotechnology Innovation Organization (iBio) and sits on the board of directors of the Pharmaceutical Research and Manufacturers of America (PhRMA), Biotechnology Innovation Organization (BIO), World Business Chicago (WBC) and the Greater Chicago Arthritis Foundation. Mr. Walbert previously served on the board of directors of Raptor, a public biopharmaceutical company, from 2010 to 2014, and XOMA Corporation, a public biotechnology company, from 2010 to 2017. Mr. Walbert received his bachelor of arts degree in business from Muhlenberg College, in Allentown, Pennsylvania.

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

THE BOARD RECOMMENDS

A VOTE IN FAVOR OF EACH NAMED NOMINEE

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

William F. Daniel, age 64

Director since September 2014

Committee Member: Audit (Chair), Compensation

Mr. Daniel, a Chartered Director and Chartered Accountant, is currently a member of the board of directors of Malin Corporation plc, an Irish-based public global life sciences company. Mr. Daniel was President of the Institute of Directors of Ireland from May 2013 to May 2015, and was originally elected to the board of the Institute of Directors in Ireland in June 2010. Mr. Daniel was Executive Vice President and Company Secretary of Elan Corporation plc, a public biotechnology company, and served in that role from December 2001 to December 2013, until the merger of Elan with Perrigo Company plc. He was previously an Executive Director of Elan between 2003 and 2007, having joined the organization as Financial Controller in 1994. He was also a former President of the Financial Executives Association of Ireland. Mr. Daniel graduated with a degree in Commerce from the University College Dublin.

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

H. Thomas Watkins, age 64

Director since April 2014

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

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

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

Class II Directors Continuing in Office Until the 2019 Annual General Meeting of Shareholders

Michael Grey, age 64

Lead Independent Director since August 2012, Director since September 2011

Committee Member: Audit, Nominating and Corporate Governance, Transaction

Mr. Grey has served as the executive chairman of Amplyx Pharmaceuticals, Inc. (Amplyx), a biotechnology company since January 2017, as chairman and chief executive officer of Reneo Pharmaceuticals, a biotechnology company that he co-founded, since September 2014 and as a venture partner at Pappas Ventures since January 2010. From October 2015 to December 2016, Mr. Grey served as the president and chief executive officer of Amplyx and from February 2011 to June 2014, Mr. Grey served as president and chief executive officer of Lumena Pharmaceuticals, Inc., a biotechnology company, which was acquired by Shire plc in June 2014. Mr. Grey has 40 years of experience in the pharmaceutical and biotechnology industries, and has held senior positions at a number of companies, including president and chief executive officer of SGX Pharmaceuticals, Inc. (sold to Eli Lilly and Company in 2008), president and chief executive officer of Trega Biosciences, Inc. (sold to LION Bioscience, Inc. in 2001) and president of BioChem Therapeutic Inc. Mr. Grey also serves on the board of directors of BioMarin Pharmaceutical Inc. and Mirati Therapeutics, Inc., each a public biopharmaceutical company, and on the board of directors of Amplyx, Balance Therapeutics, Inc. and Biothera Pharmaceuticals, Inc. Mr. Grey received a bachelor of science degree in chemistry from the University of Nottingham in the United Kingdom.

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

Jeff Himawan, Ph.D., age 51

Director since July 2007

Committee Member: Compensation (Chair), Transaction

Dr. Himawan has been a managing director of Essex Woodlands Health Ventures, a venture capital firm, since 2003, where he joined as a partner in 1999. Prior to that, Dr. Himawan co-founded Seed-One Ventures, an early-stage venture capital firm, where he served as a managing director from 1996 to 1999. Dr. Himawan also currently serves on the board of directors of Catalyst Biosciences, Inc. and MediciNova, Inc., each a public biopharmaceutical company, and on the board of directors of Light Sciences Oncology, Inc. and OMT Therapeutics, Inc. Dr. Himawan received a bachelor of science degree in biology from the Massachusetts Institute of Technology and his doctorate in biological chemistry and molecular pharmacology from Harvard University.

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

Ronald Pauli, age 56

Director since September 2011

Committee Member: Audit, Nominating and Corporate Governance

Mr. Pauli has served as chief financial officer of BioQ Pharma, Inc., a private specialty pharmaceutical company, since August 2014. Prior to that, Mr. Pauli was an independent financial consultant to the pharmaceutical industry from September 2012 to July 2014 and held senior positions at a number of biopharmaceutical companies, including chief financial officer at Sagent Pharmaceuticals, Inc. from April 2007 to August 2012, chief financial officer at NeoPharm, Inc. from 2006 to 2007 and corporate controller and interim chief financial officer at Abraxis BioScience, Inc. (formerly American Pharmaceutical Partners, Inc.) from 2002 to 2006. In addition, Mr. Pauli previously served as corporate controller for Applied Power, Inc. and R.P. Scherer Corporation, held multiple finance positions at Kmart Corporation and began his career with Ernst & Whinney. Mr. Pauli received a bachelor of science degree in accounting from Michigan State University and a master's degree in finance from Walsh College.

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

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THE BOARD OF DIRECTORS AND ITS COMMITTEES

Overview

In 2016, the Board held seven meetings and did not act by unanimous written consent without a meeting. Each Board member attended 75 percent or more of the aggregate number of meetings of the Board and of the committees on which he served. It is the Company's policy to encourage directors and nominees for director to attend annual general meetings of shareholders. All of the Company's current directors attended its 2016 Annual General Meeting of Shareholders.

The Board is committed to exercising good corporate governance practices. As part of this commitment, the Board regularly monitors developments in the area of corporate governance and reviews processes, policies and procedures in light of such developments. Key information regarding our corporate governance initiatives can be found on Horizon Pharma's website, www.horizonpharma.com, including our Memorandum and Articles of Association, Code of Business Conduct and Ethics, and the charters for the Audit, Compensation, Nominating and Corporate Governance and Transaction Committees. The Board believes that its strong corporate governance policies and practices, including the substantial percentage of independent directors on the Board and the robust duties of its lead independent director, empower the Board to effectively oversee the Company's Chief Executive Officer and provide an effective and appropriately balanced board governance structure.

Independence of the Board of Directors

Seventy-five percent of the members of the Board are independent and all members of committees of the Board are independent. The Board has affirmatively determined that the following six directors are independent directors within the meaning of the applicable NASDAQ Stock Market (NASDAQ) listing standards: Mr. Daniel, Mr. Grey, Dr. Himawan, Mr. Pauli, Mr. Santini and Mr. Watkins. In making this determination, the Board found that none of these directors or nominees for director had a material or other disqualifying relationship with the Company. Mr. Walbert, the Company's President and Chief Executive Officer, and Dr. Nohria, a prior employee of Vidara Therapeutics International Public Limited Company (Vidara), are not independent directors by virtue of their current and prior employment with the Company, respectively. To determine independence, the Board reviewed all relevant identified transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent registered public accounting firm.

As required under applicable NASDAQ listing standards, in fiscal year 2016, the Company's independent directors met four times in regularly scheduled executive sessions at which only independent directors were present.

Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics (the Code) that applies to all officers, directors and employees, including the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code is available on the Company's website at www.horizonpharma.com. If the Company makes any substantive amendments to the Code or grants any waiver from a provision of the Code to any executive officer or director, the Company will promptly disclose the nature of the amendment or waiver on its website or in a current report on Form 8-K.

Board Leadership Structure

The Board has determined that the current leadership structure, in which the offices of Chairman and Chief Executive Officer are held by one individual and an independent director acts as lead independent director, ensures that the appropriate level of oversight, independence, and responsibility is applied to all Board decisions, including risk oversight, and is in the best interests of Horizon Pharma and its shareholders.

Chairman/Chief Executive Officer

The Board is currently chaired by the President and Chief Executive Officer of the Company, Mr. Walbert. The Company believes that combining the positions of Chief Executive Officer and Chairman of the Board helps to ensure that the Board and management act with a common purpose for the following reasons:

Coherent leadership and direction for the Board and executive management;

Clear accountability and a single focus for the chain of command to execute the Company's strategic initiatives and business plans;

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Mr. Walbert's extensive industry expertise, leadership experience and history and knowledge of the Company's business; and

By leading management and chairing the Board, the Company benefits from the Chief Executive Officer's strategic and operational insights, enabling a focused vision encompassing the full range, from long-term strategic direction and day-to-day execution.

Lead Independent Director

The Company requires the election, by the independent directors of the Board, of a lead independent director to serve during any period when there is no independent Chairman of the Board. Because Mr. Walbert is currently serving as Chief Executive Officer and Chairman of the Board, the independent directors of the Board elected Mr. Grey as the lead independent director. The lead independent director serves as the liaison between the Chairman of the Board and the independent directors and his responsibilities include:

Facilitates communication with the Board and presides over regularly conducted executive sessions of the independent directors and sessions where the Chairman of the Board is not present;

Establishes the agenda for meetings of the independent directors and reviews and approves matters, schedule sufficiency, and, where appropriate, information provided to other Board members;

Has the authority to call meetings of the independent directors and, if requested by major shareholders, ensures that he is available for consultation and direct communication; and

Conveys messages from meetings of the independent directors to the Chief Executive Officer and makes himself available to discuss with other directors any concerns they may have about the Company and its performance.

Role of the Board in Risk Oversight

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

opportunities, including the risks that such transactions could pose to the Company.

Director Selection

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

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

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

the appropriate size and the diversity of the Board;

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

the director nominee's experience with accounting rules and practices.

The Nominating and Corporate Governance Committee believes in an expansive definition of diversity that includes differences of experience, education and talents, among other things. While the Nominating and Corporate Governance Committee does not have a formal policy in this regard, the diversity of the Board is listed as a factor to be considered in evaluating candidates for the Board, among others, in the Nominating and Corporate Governance Committee Charter, which is available on our website at www.horizonpharma.com.

Shareholders who wish to recommend individuals for consideration by the Nominating and Corporate Governance Committee to become nominees for election to the Board at an Annual General Meeting of Shareholders must do so by delivering a written recommendation to the Nominating and Corporate Governance Committee. See "Other Information – Shareholder Proposals" in this Proxy Statement for additional information.

Committees of the Board of Directors

The Board has four standing committees: the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Transaction Committee. All committees are comprised of independent directors within the meaning of the applicable NASDAQ listing standards. A description of each committee of the Board is described below. The following table provides membership and meeting information for fiscal year 2016 for each of the Board committees:

	Nominating and Transaction ⁽⁴⁾			
	Audit ⁽¹⁾	Corporate Governance ⁽²⁾	Compensation ⁽³⁾	
Timothy P. Walbert				
Michael Grey				
William F. Daniel				
Jeff Himawan, Ph.D.				
Virinder Nohria, M.D., Ph.D. ⁽⁵⁾				
Ronald Pauli				
Gino Santini				
H. Thomas Watkins				
Total meetings in fiscal year 2016	7	4	7	8

= Chair

= Member

= Lead Independent Director

(1) Effective as of February 2017, the Audit Committee consists of Mr. Daniel, Mr. Grey and Mr. Pauli, with Mr. Daniel serving as the chair.

- (2) Effective as of February 2017, the Nominating and Corporate Governance Committee consists of Mr. Grey, Mr. Pauli and Mr. Watkins, with Mr. Watkins serving as the chair.
- (3) Effective as of February 2017, the Compensation Committee consists of Mr. Daniel, Dr. Himawan and Mr. Santini, with Dr. Himawan serving as the chair.
- (4) Effective as of February 2017, the Transaction Committee consists of Dr. Himawan, Mr. Grey, Mr. Santini and Mr. Watkins, with Mr. Santini serving as the chair.
- (5) Dr. Nohria will not be subject to re-election at the 2017 Annual General Meeting.

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibility with respect to Horizon Pharma's corporate accounting and financial reporting practices, the audit process, the quality and integrity of Horizon Pharma's financial statements, the independent auditors' qualifications, independence, and performance, the performance of Horizon Pharma's internal audit function and external auditors and enterprise risk management. Each of the independent registered public accounting firm, internal audit and management periodically meet privately with the Audit Committee.

The Board has determined that each of Mr. Pauli and Mr. Daniel qualify as an audit committee financial expert, within the meaning of Securities and Exchange Commission (SEC) regulations and the NASDAQ Listing Rules. In making this determination, the Board has considered, (i) with respect to Mr. Pauli, his formal education and the nature and scope of his previous experience, coupled with past and present service on various audit committees and (ii) with respect to Mr. Daniel, his formal education, the nature and scope of his previous experience and financial and corporate governance expertise.

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Report of the Audit Committee of the Board of Directors

The material in this report is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended (the Securities Act), or the Securities Exchange Act of 1934, as amended (Exchange Act), whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

The Audit Committee reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2016 with management of the Company. The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (PCAOB). The Audit Committee also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and discussed with the independent registered public accounting firm the accounting firm's independence. Based on the foregoing, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Audit Committee

Ronald Pauli, *Chairman*

William F. Daniel

Jeff Himawan, Ph.D.

Compensation Committee

The Compensation Committee oversees, reviews and approves or recommends for adoption the Company's compensation policies, plans and programs, determines or approves, as appropriate, the compensation to be paid to its executive officers and directors, and prepares and reviews the Compensation Committee report included in our annual proxy statement. In making its compensation decisions and recommendations, the Compensation Committee may take into account the recommendations of the Chief Executive Officer and other senior management. Other than giving such recommendations, however, the Chief Executive Officer and other senior management have no formal role and no authority to determine the amount or form of executive and director compensation. The processes and procedures used for the consideration and determination of executive compensation are described in the section of this Proxy Statement captioned, *Compensation Discussion and Analysis*.

The Compensation Committee may, at the expense of the Company, retain legal counsel (which may, but need not be, the regular corporate counsel to the Company) and other consultants and advisors, other than in-house legal counsel and certain other types of advisors, to assist it with its functions only after taking into consideration six factors, prescribed by the SEC and NASDAQ, that bear upon the advisor's independence; however, there is no requirement that any advisor be independent. The Compensation Committee has authority to approve such advisors' fees and other retention terms and to terminate its relationship with any advisor that it retains. In addition, the Compensation Committee has authority to delegate its responsibilities to subcommittees or individual committee members.

From January through September 2016, our Compensation Committee engaged Clearbridge Compensation Group, LLC (Clearbridge) as its independent compensation consultant and beginning in October 2016, the Compensation

Committee engaged Radford, an Aon Hewitt Company (Radford), as its independent consultant. For additional information regarding our processes and procedures for the consideration and determination of executive compensation, including the role of Radford in determining and recommending executive compensation, the aggregate cost of Radford's executive and director compensation consulting services during 2016, see the section of this Proxy Statement entitled "Compensation Discussion and Analysis – Compensation Determination Process." With respect to director compensation matters, our Compensation Committee recommends to our Board and our Board determines and sets non-employee director compensation. Our compensation arrangements for our non-employee directors are described under the section of this proxy statement entitled "Non-Employee Director Compensation."

Compensation Committee Interlocks and Insider Participation

No member of our Compensation Committee has ever been an executive officer or employee of the Company. None of the Company's officers currently serves, or has served during the last completed year, on the compensation committee or board of directors of any other entity that has one or more officers serving as a member of our Board or Compensation Committee.

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Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee assists the Board in identifying individuals qualified to become Board members and recommends to the Board the nominees for election as directors at the next annual general meeting of shareholders, recommends to the Board the persons to be appointed as executive officers of Horizon Pharma, develops and recommends to the Board the corporate governance guidelines applicable to Horizon Pharma, serves in an advisory capacity to the Board and the Chairman of the Board on matters of organization, management succession plans, major changes in the organizational structure of Horizon Pharma and the conduct of Board activities, and monitors compliance with legal, regulatory and ethical requirements.

The process used by the Nominating and Corporate Governance Committee to identify a nominee to serve as a member of the Board depends on the qualities being sought. From time to time, the Board engages an executive search firm to assist the Nominating and Corporate Governance Committee in identifying individuals qualified to be Board members. The process used by the Nominating and Corporate Governance Committee to identify nominees is described in the section of this Proxy Statement captioned, **Director Selection**.

Transaction Committee

The functions of the Transaction Committee include, but are not limited to:

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

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

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

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

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

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

Shareholder Communications with the Board of Directors

Shareholders who wish to communicate with the Board may do so by sending written communications addressed to the Company Secretary of Horizon Pharma at Connaught House, 1st Floor, 1 Burlington Road, Dublin 4, D04 C5Y6, Ireland or by communicating online to the Board as a group. This information and an online communications form are available on the Company's website at www.horizonpharma.com. Each communication will be reviewed by Horizon Pharma's Company Secretary to determine whether it is appropriate for presentation to the Board or such director on a periodic basis. Examples of inappropriate communications include advertisements, solicitations or hostile communications.

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The following table sets forth information regarding executive officers as of March 31, 2017:

Name	Age	Position with the Company
Timothy P. Walbert	50	Chairman, President and Chief Executive Officer
Brian K. Beeler	44	Executive Vice President, General Counsel
Robert F. Carey	58	Executive Vice President, Chief Business Officer
Michael A. DesJardin	59	Executive Vice President, Technical Operations
George P. Hampton	47	Executive Vice President, Primary Care Business Unit
David A. Happel	54	Executive Vice President, Orphan Business Unit
Paul W. Hoelscher	52	Executive Vice President, Chief Financial Officer
Vikram Karnani	42	Senior Vice President, Rheumatology Business Unit
Barry J. Moze	63	Executive Vice President, Chief Administrative Officer
Jeffrey W. Sherman, M.D., FACP	62	Executive Vice President, Research and Development and Chief Medical Officer

The following is biographical information as of March 31, 2017 for our executive officers other than Mr. Walbert, whose biographical information is included above.

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

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

Michael A. DesJardin. Mr. DesJardin has served as our executive vice president, technical operations since February 2017. Mr. DesJardin previously served as our senior vice president, technical operations from October 2016 to November 2016 and as our senior vice president, life cycle management from December 2016 to January 2017. Prior to joining Horizon Pharma, Mr. DesJardin was the senior vice president of technical operations at Raptor from April 2015 to October 2016. Prior to that, Mr. DesJardin served as senior vice president of product development at Jazz

Pharmaceuticals Public Limited Company (formerly Jazz Pharmaceuticals, Inc.) (Jazz) from July 2004 to March 2015. Mr. DesJardin spent nine years as an executive director and engineering fellow at ALZA Corporation and spent 15 years at the DOW Chemical Company working in pharmaceutical and agricultural chemical development for Marion Merrill Dow. Mr. DesJardin has over 35 years of experience in pharmaceutical development. Mr. DesJardin received a bachelor of science degree in chemical engineering from the University of California, Berkeley and is a registered professional engineer in the State of California.

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

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David A. Happel. Mr. Happel has served as our executive vice president, orphan business unit since October 2016. Prior to joining Horizon Pharma, Mr. Happel served as chief commercial officer of Raptor, where he led the global commercialization of PROCYSBI® and QUINSAIR, from October 2014 to October 2016 and served as chief commercial officer of Allergen Research Corporation, a developer of treatments for food allergies from May 2014 to October 2014. Prior to that, Mr. Happel led the commercial functions at Dynavax Technologies, a drug development and vaccine company, from June 2013 to April 2014 and Aerovance, Inc., a biotechnology company, from June 2012 to July 2013. Mr. Happel has 30 years of experience in the healthcare industry with the last 15 years dedicated to developing and commercializing treatments for rare diseases. Mr. Happel received a bachelor of arts in chemistry from Indiana University and a master's degree in marketing from Indiana State University.

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

Vikram Karnani. Mr. Karnani joined Horizon Pharma in July 2014 as group vice president and general manager, specialty business unit and has served as our senior vice president, rheumatology business unit since February 2017. Prior to joining Horizon Pharma, Mr. Karnani was with Fresenius Kabi, a global health care company, where he served as vice president of the therapeutics and cell therapy business, from October 2011 to July 2014. Mr. Karnani also held various positions in business development, corporate strategy and strategic marketing within Fenwal Inc., a global blood technology company, that was acquired by Fresenius Kabi, from November 2008 to October 2011. Mr. Karnani brings nearly 16 years of cross functional expertise across a multitude of industries, including medical devices, management consulting, semiconductors and cellular telecommunications. Mr. Karnani has a master's degree from the Kellogg School of Management at Northwestern University, a master's degree in electrical engineering from Case Western Reserve University, and a bachelor of science degree in electrical engineering from University of Bombay, India.

Barry J. Moze. Mr. Moze has served as our executive vice president, chief administrative officer since February 2017. Prior to that, Mr. Moze was our executive vice president, chief operating officer from February 2016 to January 2017 and was our executive vice president, corporate development from May 2014 to January 2016. Prior to joining Horizon Pharma, Mr. Moze spent more than 28 years as a partner of Crystal Clear Communications, a consulting firm focused on the development and execution of corporate strategies. Prior to Crystal Clear, Mr. Moze was a founder and president of Review Services and Asset Management Group, a licensed investment advisory firm. Mr. Moze serves on the board of directors of Palermo Villa.

Jeffrey W. Sherman, M.D., FACP. Dr. Sherman has served as our executive vice president, research and development and chief medical officer since September 2014. From June 2011 until September 2014, Dr. Sherman served as our executive vice president, development, manufacturing and regulatory affairs and chief medical officer and from June 2009 until June 2011, Dr. Sherman served as our executive vice president, development and regulatory affairs and chief medical officer. From June 2009 to June 2010, Dr. Sherman served as president and board member of the Drug Information Association, a nonprofit professional association of members who work in government

regulatory, academia, patient advocacy, and the pharmaceutical and medical device industry. Prior to June 2009, Dr. Sherman held other management roles at IDM Pharma, Inc., Takeda Global Research & Development, NeoPharm, Inc. and G.D. Searle, LLC/Pharmacia. He also serves on the board of Strongbridge Biopharma plc, a public global commercial-stage biopharmaceutical company, and the Board of Advisors of the Center for Information and Study on Clinical Research Participation, a nonprofit organization dedicated to educating and informing the public, patients, medical/research communities, the media, and policy makers about clinical research and the role each party plays in the process. Dr. Sherman is an adjunct assistant professor of Medicine at the Northwestern University Feinberg School of Medicine and is a member of a number of professional societies as well as a diplomat of the National Board of Medical Examiners and the American Board of Internal Medicine. Dr. Sherman received his M.D. from the Rosalind Franklin University/Chicago Medical School. Dr. Sherman completed an internal medicine internship, residency and chief medical residency at Northwestern University as well as fellowship training at the University of California, San Francisco (UCSF). Dr. Sherman was also a research associate at the Howard Hughes Medical Institute at UCSF.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis (CD&A) discusses the compensation philosophy, policies and principles underlying our executive compensation decisions made for 2016 compensation. This CD&A provides qualitative information on the factors relevant to these decisions and the manner in which compensation is awarded to the following executive officers who have been named in the Summary Compensation Table included in this Proxy Statement and whom we refer to as our named executive officers (NEOs).

Timothy P. Walbert	Chairman, President and Chief Executive Officer
Robert F. Carey	Executive Vice President, Chief Business Officer
David A. Happel ⁽¹⁾	Executive Vice President, Orphan Business
Paul W. Hoelscher	Executive Vice President, Chief Financial Officer
Barry J. Moze	Executive Vice President, Chief Administrative Officer

(1) David Happel joined Horizon Pharma in October 2016 and was previously Chief Commercial Officer for Raptor.

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In 2016, we delivered strong results to create long-term value for our shareholders. We continued to progress on our long-term business strategy of building a more-diversified and durable, high-growth biopharmaceutical company anchored by a growing mix of rare disease medicines. We have grown both organically and through strategic acquisitions and today have 11 medicines across three business units: orphan, rheumatology and primary care.

Strong and Consistent Financial Performance

In 2016, we delivered another record sales year and achieved an important milestone for our company, surpassing \$1 billion in non-GAAP adjusted net sales