Horizon Pharma plc
Form PRE 14A
March 16, 2018

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 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

Horizon Pharma Public Limited Company

(Name of Registrant as Specified In Its Charter)

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

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Table of Contents

PRELIMINARY PROXY STATEMENT

DATED MARCH 16, 2018 SUBJECT TO COMPLETION

HORIZON PHARMA PUBLIC LIMITED COMPANY

ANNUAL GENERAL MEETING OF SHAREHOLDERS

May 3, 2018

NOTICE AND PROXY STATEMENT

Table of Contents

, 2018

Dear Fellow Shareholder:

2017 was a year of significant progress for Horizon Pharma. Having rapidly transformed the Company into one focused primarily on rare and rheumatic diseases over the past five years, we launched the next stage of our evolution developing a robust pipeline of clinically meaningful medicines to drive sustained growth over the long term. We added several new programs to our pipeline in 2017, including HZN-001 (teprotumumab), a late-stage fully human monoclonal antibody (mAb) insulin-like growth factor-1 receptor (IGF-1R) inhibitor, which is a candidate for the treatment of moderate-to-severe thyroid eye disease, a rare eye disease. Enrollment in the confirmatory Phase 3 clinical trial began in the fourth quarter of 2017 and we project that, if approved, teprotumumab could achieve peak annual U.S. net sales of more than $750 million. We also added two other pre-clinical rheumatology programs designed to enhance our leadership in the treatment of uncontrolled gout[1], a position which we hold today with our rare-disease biologic KRYSTEXXA®, one of our key growth drivers. We continued to invest in KRYSTEXXA in 2017 by doubling its commercial organization and expanding its targeted patient population to include uncontrolled gout patients treated by nephrologists. As a result, we recently increased our estimate of KRYSTEXXA peak annual net sales to more than $750 million.

These developments exemplify the successful execution of our strategy over the past five years. In 2013, Horizon Pharma had two medicines with net sales of $74 million. Today, we are a biopharmaceutical company focused primarily on rare diseases, with 11 medicines, six of them for rare diseases, and our rare disease medicines making up approximately 60 percent of our 2017 net sales. This rapid, transformational growth has resulted in a five-year total shareholder return of 527 percent, significantly outperforming our peer group[2] and the Nasdaq Biotechnology Index (NBI).

Our net sales of $1.06 billion in 2017 represented a year-over-year increase of 8 percent on a GAAP basis and 1 percent on a non-GAAP basis[3], driven primarily by strong growth in our orphan and rheumatology business units. Impacting our net sales performance were challenges we experienced early in the year in our primary care business unit related to the implementation of a new contracting model with pharmacy benefit managers (PBMs), which we effected primarily in response to the increasing level of control in the managed care environment. Despite the resulting negative impact of approximately $230 million to our primary care business unit net sales, our diversification strategy over the past three years proved successful, as the growth in net sales of our rare disease medicines of 60 percent more than offset that decrease, resulting in year-over-year net sales growth. Our 2017 net loss, non-GAAP net income and adjusted EBITDA[4] were $411 million, $195 million and $390 million[5], respectively. We ended 2017 with a cash balance of $751 million, providing us with the financial flexibility to continue to execute our strategy.

Overall, I am very pleased with our team s performance. We remained diligently focused on strong execution and driving the business forward. We demonstrated the commitment that underscores everything we do at Horizon Pharma: making a powerful difference for the patients, caregivers and physicians through the innovative medicines we commercialize and develop to address unmet treatment needs. The dedication and purpose of our talented team of employees is reflected in the recognition Horizon Pharma continues to receive, including three *Fortune Magazine* 2017 surveys One of the Best Workplaces in Health Care, 100 Best Small & Medium Workplaces and 2017 Best Work Places to Work in Chicago as well as the 2017 *Crain s Chicago Business* Best Places to Work and *Chicago Tribune s* 2017 Top Medium-Sized Workplaces. Our ongoing efforts to diversify our employee base has helped us achieve our goals. To drive our continued growth and evolution in this regard, Irina Konstantinovsky, an accomplished human resources professional, joined us in September 2017 as executive vice president, chief human resources officer.

More recently, we were very pleased to welcome Shao-Lee Lin, M.D., Ph.D., who joined Horizon Pharma earlier this year as executive vice president, head of research and development (R&D) and chief scientific officer. Shao-Lee brings exceptional

[1] Uncontrolled gout is chronic gout that is refractory (unresponsive) to conventional gout therapies.

[2] The peer group used for total shareholder return (TSR) calculations for the five-year period ended December 31, 2017 is our May 2017 peer group (shown on page 33).

[3] In September 2016, Horizon Pharma agreed to pay Express Scripts, Inc. $65 million as part of a litigation settlement, which was recorded as a one-time reduction to net sales for the third quarter of 2016, calculated in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The exclusion of the $65 million settlement from GAAP net sales was the only adjustment reflected in 2016 non-GAAP adjusted net sales.

[4] Non-GAAP net income and adjusted earnings before interest, taxes, depreciation and amortization and other amounts (adjusted EBITDA) are non-GAAP measures. These measures are used and provided by us as non-GAAP financial measures so that our investors have a more complete understanding of our financial performance. In addition, these non-GAAP financial measures are among the indicators our management uses for planning and forecasting purposes and measuring our performance.

[5] Please refer to the discussion of non-GAAP financial measures and the reconciliations thereof to GAAP measures beginning on page 100 of our Annual Report on Form 10-K for the year ended December 31, 2017, which discussion and reconciliations are incorporated herein by reference.

Table of Contents

experience and a proven track record of developing new medicines and she shares our focus on improving patient outcomes. Shao-Lee is focused on driving the accelerated development of a R&D portfolio of medicines for Horizon Pharma, leading the next phase of growth for the Company.

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

You are cordially invited to attend the Annual General Meeting of Shareholders on Thursday, May 3, 2018, 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, dating and returning the enclosed proxy card.

Thank you for your continued support.

Sincerely,

Timothy P. Walbert
Chairman, President and Chief Executive Officer

Table of Contents

Important Notice Regarding the Availability of Proxy Materials for the Annual General Meeting of Shareholders to Be Held on Thursday, May 3, 2018, 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 Thursday, May 3, 2018, 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 three nominees for Class I directors named herein to hold office until the 2021 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, 2018, 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 indicate, on an advisory basis, the preferred frequency of shareholder advisory votes on the compensation of our named executive officers.**

5. **Proposal 5: To authorize us and/or any of our subsidiaries to make market purchases or overseas market purchases of our ordinary shares.**

6. **Proposal 6:** To approve our Amended and Restated 2014 Equity Incentive Plan.

7. **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, for ONE YEAR as the preferred frequency of advisory votes to approve executive compensation and FOR Proposals 2, 3, 5 and 6.

Our Irish statutory financial statements for the fiscal year ended December 31, 2017, 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, 5 and 6 are deemed to be special business. Shareholders of record as of , 2018, 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.

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

, 2018

Table of Contents

TABLE OF CONTENTS

Table of Contents

PROXY STATEMENT SUMMARY

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 2017 performance, please review our Annual Report on Form 10-K for the year ended December 31, 2017.

Voting Items and Board Recommendations

	Proposal	Board Recommendations
1	Election of Directors (page 13)	FOR All Nominees
2	Appointment of Independent Registered Public Accounting Firm and Authorization of the Audit Committee to Determine the Auditors Remuneration (page 58)	FOR
3	Approval, on an Advisory Basis, of Executive Compensation (page 60)	FOR
4	Indication, on an Advisory Basis, of Preferred Frequency of Advisory Vote on Executive Compensation (page 61)	ONE YEAR
5	Authorization to Make Market Purchases or Overseas Market Purchases of our Ordinary Shares (page 62)	FOR
6	Approval of our Amended and Restated 2014 Equity Incentive Plan (page 63)	FOR

Business Overview

We made significant progress in 2017 on our long-term strategy of building a diversified and durable, high-growth biopharmaceutical company focused on rare disease medicines. We generated full-year net sales of $1.06 billion, with our rare disease medicines, now representing approximately 60 percent of our net sales, increasing 60 percent year-over-year. In addition to expanding the commercial efforts for our key growth driver KRYSTEXXA, which we now believe has peak net sales potential of more than $750 million, we augmented our pipeline with the addition of HZN-001 (teprotumumab), a late-stage development fully human monoclonal antibody (mAb) insulin-like growth factor-1 receptor (IGF-1R) inhibitor candidate for the treatment of moderate to-severe thyroid eye disease (TED), as well as several new rheumatology pipeline programs.

Table of Contents

Our Strategy

Our strategy has evolved over three phases. When we first launched as a public company in 2011, we rapidly established Horizon Pharma s infrastructure and commercial footprint, generating earnings and cash flow through the commercialization of our first two medicines, DUEXIS and RAYOS. In 2014, we began the second phase of our strategy, which focused on rapid diversification into rare disease medicines through key acquisitions that brought us ACTIMMUNE, RAVICTI, KRYSTEXXA and PROCYSBI. In 2017, we began the third phase of our strategy, building out a pipeline of differentiated and clinically meaningful, development-stage medicines to drive sustainable growth over the long term. At the same time, we remain focused on commercial execution and optimizing the growth of our rare disease medicines, as well as considering future commercial asset acquisitions.

Table of Contents

Rare Disease Medicines Are Driving Our Sales Growth

Net sales of our rare disease medicines grew 60 percent in 2017 compared to 2016. Net sales of KRYSTEXXA alone, our medicine for the treatment of uncontrolled gout, a rare disease, grew 72 percent in 2017, following the implementation of our commercial strategy to maximize the medicine s growth trajectory following its acquisition in January of 2016. We believe KRYSTEXXA has significant future growth potential and invested substantially in its commercial organization in 2017, doubling its size to not only increase penetration in the rheumatology market, but also to expand into nephrology, a new market for KRYSTEXXA. We estimate that the nephrology market has a similar addressable patient population as rheumatology, approximately 50,000 patients. Our orphan business unit, which includes RAVICTI, PROCYSBI and ACTIMMUNE, provides us with a stable base of rare disease growth medicines.

CAGR: compound annual growth rate

Expanding Our Pipeline to Drive Sustainable Long-Term Growth

In May 2017, we acquired River Vision Development Corp. (River Vision), which added the first development-stage candidate to our pipeline teprotumumab, a fully human monoclonal antibody (mAb) inhibitor of IGF-1R. Teprotumumab, also known as HZN-001, demonstrated breakthrough efficacy in its Phase 2 trial in patients with moderate-to-severe TED, a rare and debilitating eye disease with no approved therapies. Enrollment in the Phase 3 confirmatory trial began in October 2017 and we expect to complete enrollment by the end of 2018. We estimate the addressable population in the United States to be between 15,000 and 20,000 patients annually.

We also expanded our rheumatology pipeline programs in 2017, adding two next-generation biologic development programs to support and sustain our leadership in the treatment of uncontrolled gout, as well as HZN-002, a novel dexamethasone conjugate, to augment our rheumatology portfolio. In addition, two investigator-initiated immunomodulation studies are expected to start in 2018 to evaluate enhancing the response rate for KRYSTEXXA.

Table of Contents

(1) Immunomodulation arm expected to begin enrolling in first-quarter 2018.
(2) Trial expected to begin enrolling in first-quarter 2018.
(3) Teprotumumab is a fully human monoclonal antibody (mAb) IGF-1R inhibitor for moderate-to-severe TED.
(4) Registered trademark of Bristol-Myers Squibb Company.
(5) Registered trademark of Merck Sharp & Dohme Corp.
(6) Study with Taxol, Herceptin and Perjeta; Taxol is a registered trademark of Bristol-Myers Squibb Company. Herceptin and Perjeta are registered trademarks of Genentech.

TRIPLE: **T**olerization **R**educes **I**ntolerance to **P**egloticase and Prolongs the Urate **L**owering **E**ffect. RECIPE: **RE**du**C**ing **I**mmunogenicity to **P**egloticas**E**. RIFLE: **R**AYOS (delayed release prednisone) **I**nhibits **F**atigue in **L**upus **E**rythematosus. OPTIC: Treatment of Graves **O**rbitopathy (Thyroid Eye Disease) to Reduce **P**roptosis with **T**eprotumumab **I**nfusions in a Randomized, Placebo-**C**ontrolled, Clinical Study. CTCL: cutaneous T-cell lymphoma. HER2: human epidermal growth factor receptor 2.

Total Shareholder Return

Over the three- and five-year periods, we have outperformed both our peer group and the Nasdaq Biotechnology Index (NBI). With our durable base of rare disease medicines, our high-growth KRYSTEXXA medicine and the pipeline we are building for future growth, we believe Horizon Pharma is well positioned for rapid and sustainable long-term growth.

Note: The peer group used for the TSR calculations for the 1-, 3- and 5-year periods ended December 31, 2017 is our May 2017 peer group (shown on page 33).

4

Table of Contents

Director Nominees and Continuing Directors

Name	Age	Director Since	Principal Position	Independent	Other Current Public Boards
2018 Director Nominees					
William F. Daniel	66	2014	Director, Malin Corporation plc	Yes	1
H. Thomas Watkins	65	2014	Chairman, Vanda Pharmaceuticals Inc.	Yes	1
Pascale Witz	51	2017	President, PWH Advisors	Yes	4
Continuing Directors					
Michael Grey	65	2011	Executive Chairman, Amplyx Pharmaceuticals, Inc.	Yes	2
Jeff Himawan, Ph.D.	52	2007	Managing Director, Essex Woodlands Health Ventures, L.P.	Yes	2
Ronald Pauli	57	2011	Chief Financial Officer, BioQ Pharma, Inc.	Yes	-
Timothy P. Walbert	51	2008	Chairman, President and Chief Executive Officer, Horizon Pharma plc	No	1
Gino Santini	61	2012	Chairman, AMAG Pharmaceuticals, Inc.	Yes	4
James Shannon, M.D.	61	2017	Director, MannKind Corporation	Yes	2

Board Highlights

Two new board members added in 2017, enhancing Board diversity and capabilities:

Ms. Pascale Witz: brings more than two decades of global healthcare commercial and management experience to the Board

James Shannon, M.D.: brings more than 25 years of clinical development experience to the Board

The Nominating and Corporate Governance Committee of our Board examines multiple factors when evaluating directors, including their knowledge, skills and experience, including experience in our industry and with respect to clinical development, business, finance, management and public service. The Committee believes in an expansive definition of diversity that includes differences of experience, education, talents, gender and race, among other things. The table below highlights the extensive experience of our directors as well as a balance of skills on our Board:

Table of Contents

Our Board, which is predominantly independent, includes a range of newer and longer-tenured directors. In addition, the Board values diversity, with an expansive definition of diversity that includes differences of experience, education, talents, gender and race. The addition of Pascale Witz to the Board in 2017, with her extensive global healthcare management experience, and James Shannon, M.D., with his significant clinical development and management experience, further diversified our Board.

Corporate Governance Highlights

Independent Oversight	Continuous Improvement
Eight out of nine of our directors are independent	Annual Board and committee self-evaluations
All Board committees are comprised solely of independent directors	Risk oversight by the 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

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 shareholder vote on executive compensation

New: Adopted an incentive compensation recoupment clawback policy

New: Adopted a one-year post-issuance holding period for new equity grants to executive officers

Table of Contents

Executive Compensation Overview

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

Pay Considerations		
Long-Term Performance	**Executive and Shareholder Alignment**	**Risk Mitigation**

What We Do	What We Don t Do
Align executive compensation with corporate and individual performance	No guaranteed bonuses or salary increases
Maintain strong share ownership guidelines for our directors and executives	No repricing of stock options without shareholder approval
Maintain an appropriate balance between short-term and long-term compensation which discourages short-term risk taking at the expense of long-term results	No dividends or dividend equivalents paid on unearned shares
Engage an independent advisor reporting directly to the Compensation Committee	No NEO excise tax gross-ups
Apply anti-pledging and anti-hedging policy for our shares	
Cap annual and long-term incentive payouts	
Conduct compensation risk assessments	
New: Require a one-year post-issuance holding period on all post-2017 equity grants for executive officers	
New: Apply an incentive compensation recoupment clawback policy	

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	Corporate Performance Period	Service Period(1)	Objective
Base Salary	Cash (fixed)	N/A	Annual	Recognition of an individual s role and responsibilities; provides competitive pay for retention purposes
Short-Term Incentive	Cash (variable)	Annual	Annual	Variable pay designed to reward achievement of annual financial and corporate objectives and individual goals
Long-Term Incentives	Equity Long-Term Incentive Program (Equity LTIP) (variable)	Multi-year	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;
		Annual	Multi-year	and supports our retention strategy
	Cash Incentive Program (CIP) (variable)			

New in 2018: Move to annual long-term cash and equity incentive grants, more closely aligned with overall market and industry-standard practices

(1) Service period is the period over which continual service is required in order for incentives to become vested and earned.

Table of Contents

Shareholder Engagement

We value the views of our shareholders and we have had significant and meaningful engagement with our shareholders regarding our compensation and governance. 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 four years, led by the Chairman of our Compensation Committee, we have conducted continued and consistent engagement with our shareholders and we plan to continue this practice.

At our 2017 Annual General Meeting of Shareholders, our say-on-pay proposal received the support of approximately 97 percent of the shares voted. We believe this high level of support is a result of our comprehensive shareholder outreach and engagement program to solicit feedback, understand investor viewpoints and incorporate feedback into further discussions of our compensation programs and philosophy.

Through this shareholder engagement we have had very productive conversations, which continue to shape our programs and disclosures. Recent changes that were heavily influenced by shareholder feedback include:

Incentive compensation recoupment policy. This recently implemented policy enables us to recover performance-based cash and equity compensation that is later determined not to have been earned by our executive officers, due to restatements of financial results.

Annual long-term incentive grants going forward. Our philosophy on granting equity has changed as a result of feedback. Beginning in January 2018, we now plan on regular, annual grants of long-term incentives, instead of front-loaded awards that are intended to cover a multi-year period.

Balance between short-term and long-term performance metrics. Shareholder feedback informed our decision to combine both a short-term business performance metric and long-term relative TSR metric for the performance share unit (PSU) awards granted in January 2018, as discussed below.

Board diversity. Diversity is an important principle for us at Horizon Pharma and several investors have indicated that it is important to them as well. The addition to the Board in 2017 of Pascale Witz, with her extensive global healthcare management experience, and James Shannon, M.D., with his significant clinical development and management experience, further diversified our Board.

Please see our Compensation Discussion and Analysis on page 25 for additional information on our compensation philosophy.

Table of Contents

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 Thursday, May 3, 2018, 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 , 2018 will be entitled to vote at the Annual General Meeting. On this record date, there were of our ordinary shares outstanding and entitled to vote.

Shareholder of Record (shares registered in your name). If on , 2018, your shares were registered in your name in our Register of Members which is maintained by our 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 , 2018, 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 six matters scheduled for a vote:

Election of three Class I directors named in this Proxy Statement to hold office until the 2021 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, 2018 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);

Advisory indication of the preferred frequency of shareholder advisory votes on the compensation of our named executive officers (Proposal 4);

Authorization for us and/or any of our subsidiaries to make market purchases or overseas market purchases of our ordinary shares (Proposal 5); and

Approval of our Amended and Restated 2014 Equity Incentive Plan (Proposal 6).

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.

Table of Contents

How do I vote?

You may vote For or Against each Class I director nominee or you may abstain from voting for all or any of the nominees. With regard to the advisory vote on how frequently we should solicit shareholder advisory approval for executive compensation, you may vote for any one of the following: one year, two years or three years or you may abstain from voting on that matter. 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, 2018, 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, 2018, 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 our 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 , 2018.

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. We have been advised by the NYSE that your broker or nominee may not vote your shares on Proposals 1, 3, 4 or 6 without your instructions, but may vote your shares on Proposals 2 and 5.

Table of Contents

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 our 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 us 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 our ordinary shares, will be borne by us. Our directors, officers and other employees 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 may 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 our 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 one of our shareholders.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count, with respect to the proposal to elect directors, votes For, Against, abstentions and broker non-votes; with respect to the proposal regarding frequency of shareholder advisory votes to approve executive compensation, votes for frequencies of one year, two years or three years, abstentions and broker non-votes; and, with respect to other 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 ordinary shares outstanding and entitled to vote. Thus, the holders of 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, 2018, 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.	Indication, on an Advisory Basis, of the Preferred Frequency of Shareholder Advisory Votes on Executive Compensation	Majority of the votes cast
5.	Authorization to Make Market Purchases or Overseas Market Purchases of our Ordinary Shares	Majority of the votes cast
6.	Approval of Amended and Restated 2014 Equity Incentive Plan	Majority 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, 2018. 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, 2017. 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. accounting standards, as defined in Section 279 of the Irish Companies Act 2014, to the extent that the use of those accounting standards in the preparation of the consolidated financial statements does not contravene any provision of the Irish Companies Act 2014 or of any regulations made thereunder and have prepared the Irish statutory 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*.

Table of Contents

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 nine members, as follows:

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

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

Class III: Gino Santini, James Shannon, M.D. and Timothy P. Walbert, whose terms will expire at our 2020 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 our 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 I whose term of office expires in 2018. Each of the nominees listed below in Class I is currently one of our directors 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 2021 Annual General Meeting of Shareholders and until his or her successor has been duly elected and qualified, or, if sooner, until the director s death, resignation, disqualification or removal.

William F. Daniel, age 66

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. Prior to that, 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. 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 Board as it plans our future growth.

H. Thomas Watkins, age 65

Director since April 2014

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

Mr. Watkins, in his most recent role, was director, president and chief executive officer of Human Genome Sciences, Inc. (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

Table of Contents

consultant with McKinsey and Company, Inc., working with multinational companies in the United States, Europe and Japan. Mr. Watkins holds a bachelor s degree from the College of William and Mary, and a master s degree in business administration from the University of Chicago Graduate School of Business. Mr. Watkins is the chairman of the board of directors of Vanda Pharmaceuticals, Inc., a public biotechnology company. He is also a member of the board of directors of HemoShear Therapeutics, LLC, a private biotechnology company, and the Biotechnology Innovation Organization (BIO) and is vice-chair of the board of visitors of The College of William and Mary.

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 our future growth.

Pascale Witz, age 51

Director since August 2017

Committee Member: Audit, Nominating and Corporate Governance

Ms. Witz founded PWH Advisors, a strategic consultancy firm advising healthcare and investment companies, in November 2016 and has served as its president since that time. From September 2015 to May 2016, Ms. Witz served as executive vice president, global diabetes and cardiovascular at Sanofi, a pharmaceutical company. During her tenure at Sanofi, she launched multiple medicines across three continents and strengthened the pipeline through licensing and partnerships. Prior to joining Sanofi, Ms. Witz served more than 17 years at GE Healthcare where, in her final role as president and chief executive officer of its medical diagnostics business, she ran a $2 billion integrated pharmaceutical organization that encompassed research and development through commercial. Ms. Witz received her Master of Business Administration in Economics and Marketing from INSEAD and her master of science in biochemistry from INSA Lyon. Ms. Witz also serves on the boards of directors of Fresenius Medical Care AG & Co. KGaA, a public medical supply company, Regulus Therapeutics, a public biotechnology company, PerkinElmer, a public company focused on human and environmental health, and Savencia SA, a public food and dairy company.

The Nominating and Corporate Governance Committee and the Board believe that Ms. Witz is qualified to serve as a director of the Company on the basis of her valuable industry experience, which brings important strategic insight to the Board as it plans our future growth.

THE BOARD RECOMMENDS

A VOTE IN FAVOR OF EACH NAMED NOMINEE

Michael Grey, age 65

Lead Independent Director since August 2012, Director since September 2011

Committee Member: Nominating and Corporate Governance, Transaction

Mr. Grey has served as executive chairman of Amplyx Pharmaceuticals, Inc. (Amplyx), a private pharmaceutical company, since January 2017; Reneo Pharmaceuticals, Inc. (Reneo), a private pharmaceutical company, since December 2017; and Spruce Biosciences, Inc., a private biotechnology company, since April 2017. He has also served as a venture partner at Pappas Ventures since January 2010. Mr. Grey served from October 2015 to January 2017 as the president and chief executive officer of Amplyx, and from September 2014 to December 2017 as chairman and chief executive officer of Reneo. 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. Prior to these, Mr. Grey served in various roles with Glaxo, Inc. and Glaxo Holdings PLC, culminating in his position as vice president, corporate development and director of international licensing. Mr. Grey also serves on the boards of directors of BioMarin Pharmaceutical Inc. and Mirati Therapeutics Inc., both public biotechnology companies and Biothera Pharmaceuticals, Inc., a private biotechnology company. 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 our future growth.

Table of Contents

Jeff Himawan, Ph.D., age 52

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 2004. Prior to that, he was an adjunct partner at Essex Woodlands from 1999 to 2001, and he was a venture partner from 2001 to 2004. Dr. Himawan co-founded Seed-One Ventures, an early-stage venture capital firm, where he served as a managing director from 1996 to 2001. 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. 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 scientific and strategic insight to the Board as well as experience working with the investment community.

Ronald Pauli, age 57

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 our strategic direction and working with the investment community.

Gino Santini, age 61

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., Collegium Pharmaceutical, Inc. and Allena Pharmaceuticals, Inc., all of which are public biopharmaceutical companies. Mr. Santini also serves on the board of directors of 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, when it was acquired by Allergan plc. 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 our future growth.

James Shannon, M.D., age 61

Director since August 2017

Committee Member: Compensation, Transaction

Dr. Shannon currently serves on the board of directors for MannKind Corporation, a public biopharmaceutical company focused on treatments for diabetes. From May 2012 to March 2015, Dr. Shannon served as the chief medical officer of GlaxoSmithKline (GSK), a public biopharmaceutical company, where he was responsible for matters of patient safety, general medical governance,

Table of Contents

medical ethics and integrity, medical information as well as investigations involving human subjects relating to any GSK medicine in development or on the market. Prior to that, Dr. Shannon spent more than a decade with Novartis, a public pharmaceutical company. In his last role with the company, as global head of pharma development, he was responsible for all of Novartis s development activities, from pre-clinical through Phase 4 and oversaw an annual development budget of approximately $4 billion. Dr. Shannon received his science and medical degrees from Queen s University in Belfast, Northern Ireland. In addition to MannKind Corporation, he serves on the board of directors of ProQR Therapeutics NV, a public therapeutics company; Immodulon Therapeutics Limited, a private biopharmaceutical company; and MyTomorrows, a health-based platform that collaborates with drug developers to provide early access to treatments for patients who have exhausted all other options.

The Nominating and Corporate Governance Committee and the Board believe that Dr. Shannon is qualified to serve as a director of the Company on the basis of his extensive clinical development experience, which brings important insight to the Board as it plans our future growth.

Timothy P. Walbert, age 51

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

Committee Member: None

Mr. Walbert has served as our president, chief executive officer and director of the Company since June 2008 and served as our chairman 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 that 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 of immunology, where he built and 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 directors of Egalet Corporation, a public pharmaceutical company. Mr. Walbert sits on the board of directors of the Illinois Biotechnology Innovation Organization (iBIO), the Biotechnology Innovation Organization (BIO), World Business Chicago (WBC) and the Greater Chicago Arthritis Foundation. Mr. Walbert is also a member of the Illinois Innovation Council. Mr. Walbert previously served on the board of directors of Raptor Pharmaceutical Corp. (Raptor), a public biopharmaceutical company, from 2010 to 2014; XOMA Corporation, a public biotechnology company, from 2010 to 2017; and Sucampo Pharmaceuticals, Inc., a public biopharmaceutical company, from March 2016 to February 2018. 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 our future growth.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Overview

In 2017, the Board held seven meetings and did not act by unanimous written consent without a meeting. Each Board member attended 94 percent or more of the aggregate number of meetings of the Board and of the committees on which he or she served. It is our policy to encourage directors and nominees for director to attend annual general meetings of shareholders. With the exception of Dr. Shannon and Ms. Witz, both of whom were appointed to the Board in August 2017, all of our current directors attended our 2017 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 our 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 our Chief Executive Officer and provide an effective and appropriately balanced Board governance structure.

Independence of the Board of Directors

Other than Mr. Walbert, our chairman, president and chief executive officer, all members of the Board are independent and all members of committees of the Board are independent. The Board has affirmatively determined that the following eight directors

Table of Contents

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, Dr. Shannon, Mr. Watkins and Ms. Witz. In making this determination, the Board found that none of these directors or nominees for director had a material or other disqualifying relationship with us. Mr. Walbert is not an independent director by virtue of his current employment with us. To determine independence, the Board reviewed all relevant identified transactions or relationships between each director, or any of his or her family members, and us, our senior management and our independent registered public accounting firm.

As required under applicable Nasdaq listing standards, in fiscal year 2017, our independent directors met four times in regularly scheduled executive sessions at which only independent directors were present.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics (the Code) that applies to all officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code is available on our 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 our best interests and those of our 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 our strategic initiatives and business plans;
- Mr. Walbert s extensive industry expertise, external public board experience, leadership experience and history and knowledge of our business; and

by leading management and chairing the Board, we benefit 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 us or our performance.

Table of Contents

Role of the Board in Risk Oversight

One of the Board s key functions is informed oversight of our 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 our 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;

- 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, talents, gender and race. 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.

Table of Contents

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 2017 for each of the Board committees:

	Audit(1)	Compensation(2)	Nominating and Corporate Governance(3)	Transaction(4)
Timothy P. Walbert				
Michael Grey(5)				
William F. Daniel(6)				
Jeff Himawan, Ph.D.(7)				
Virinder Nohria, M.D. Ph.D.(8)				
Ronald Pauli(9)				
Gino Santini(10)				
James Shannon, M.D.(11)				
H. Thomas Watkins(12)				
Pascale Witz(13)				
Total meetings in fiscal year 2017	**5**	**6**	**4**	**8**

= Chair = Member = Lead Independent Director

(1) Effective as of February 2018, the Audit Committee consists of Mr. Daniel, Mr. Pauli, Mr. Watkins and Ms. Witz, with Mr. Daniel serving as the chair.

(2) Effective as of February 2018, the Compensation Committee consists of Mr. Daniel, Dr. Himawan, Mr. Santini and Dr. Shannon, with Dr. Himawan serving as the chair.

(3) Effective as of February 2018, the Nominating and Corporate Governance Committee consists of Mr. Grey, Mr. Pauli, Mr. Watkins and Ms. Witz, with Mr. Watkins serving as the chair.

(4) Effective as of August 2017, the Transaction Committee consists of Mr. Grey, Dr. Himawan, Mr. Santini and Dr. Shannon, with Mr. Santini serving as the chair.

(5) Mr. Grey served on the Audit Committee from February 2017 until August 2017, served on the Compensation Committee until February 2017 and has served on the Nominating and Corporate Governance Committee since February 2017.

(6) Mr. Daniel has served as the chair of the Audit Committee and on the Compensation Committee since February 2017 and served on the Nominating and Corporate Governance Committee until February 2017.

(7) Dr. Himawan served on the Audit Committee until February 2017 and has served on the Transaction Committee since February 2017.

(8) Dr. Nohria served on the Board until May 2017.

(9) Mr. Pauli served as the chair of the Audit Committee and on the Compensation Committee until February 2017. He served on the Nominating and Corporate Governance Committee from February 2017 until August 2017 and

rejoined the Nominating and Corporate Governance Committee in February 2018.

(10) Mr. Santini has served on the Compensation Committee since February 2017 and served on the Nominating and Corporate Governance Committee until February 2017.

(11) Dr. Shannon has served on the Transaction Committee since joining the Board in August 2017. He joined the Compensation Committee in February 2018.

(12) Mr. Watkins served on the Transaction Committee until August of 2017. He has served on the Audit Committee since August 2017.

(13) Ms. Witz has served on the Nominating and Corporate Governance Committee since joining the Board in August 2017. She joined the Audit Committee in February 2018.

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibility with respect to, among other things: (i) our corporate accounting and financial reporting practices, (ii) the system of internal control over financial reporting, (iii) the audit process, (iv) the quality and integrity of our financial statements, (v) the qualifications, independence and performance of our independent registered public accounting firm, (vi) the qualifications, independence and performance of our internal audit function and (vii) 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. Daniel and Mr. Pauli 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 with respect to (i) Mr. Daniel, his formal education, the nature and scope of his previous experience and his financial and

Table of Contents

corporate governance expertise, and (ii) Mr. Pauli, his formal education, the nature and scope of his previous experience and his financial expertise.

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 of our filings 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 has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2017 with management of the Company. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board (PCAOB). The Audit Committee has 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 has discussed with the independent registered public accounting firm the accounting firm s independence. Based on the foregoing, the Audit Committee has 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, 2017.

Audit Committee

William F. Daniel, *Chairman*

Ronald Pauli

H. Thomas Watkins

Compensation Committee

The Compensation Committee oversees, reviews and approves or recommends for adoption our compensation policies, plans and programs, reviews and approves or recommends to the full Board, as appropriate, the compensation to be paid to our 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 our expense, retain legal counsel (which may, but need not be, our regular corporate counsel) 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.

In October 2016, our 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 2017, 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 our executive 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.

Table of Contents

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee oversees all aspects of our corporate governance functions on behalf of the Board, including, but not limited to, (i) making recommendations to the Board regarding corporate governance issues; (ii) identifying, reviewing and evaluating candidates to serve as directors of the Company consistent with criteria approved by the Board and reviewing and evaluating incumbent directors; (iii) serving as a focal point for communication between such candidates, non-committee directors and our management; (iv) nominating candidates to serve as directors; (v) making other recommendations to the Board regarding affairs relating to the directors of the Company; and (vi) providing oversight assistance in connection with our legal, regulatory and ethical compliance programs, policies and procedures as established by management and the Board.

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 our business development strategy;

- periodically reviewing and evaluating prior transactions and financings for consistency with, and achievement of, our strategic business goals, objectives or plans; and authorizing potential business development transactions, other business growth and diversification opportunities, general financing opportunities and opportunities for Existing Debt Dealings that the Transaction Committee determines to fall within the scope of our goals and business development strategy and that are in the best interest of our shareholders.

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 our website at *www.horizonpharma.com.* Each communication will be reviewed by our 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.

Table of Contents

EXECUTIVE OFFICERS

The following table sets forth information regarding executive officers as of March 31, 2018:

Name	Age	Position with the Company
Timothy P. Walbert	51	Chairman, President and Chief Executive Officer
Brian K. Beeler	45	Executive Vice President, General Counsel
Robert F. Carey	59	Executive Vice President, Chief Business Officer
Michael A. DesJardin	60	Executive Vice President, Technical Operations
George P. Hampton	48	Executive Vice President, Primary Care Business Unit
Paul W. Hoelscher	53	Executive Vice President, Chief Financial Officer
Vikram Karnani	43	Executive Vice President, Chief Commercial Officer
Irina P. Konstantinovsky	48	Executive Vice President, Chief Human Resources Officer
Shao-Lee Lin, M.D., Ph.D.	51	Executive Vice President, Head of Research and Development, Chief Scientific Officer
Eric B. Mosbrooker	52	Senior Vice President, Orphan Business Unit
Barry J. Moze	64	Executive Vice President, Chief Administrative Officer
Jeffrey W. Sherman, M.D., FACP	63	Executive Vice President, Chief Medical Officer

The following is biographical information as of March 31, 2018 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, a master s degree in business administration 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 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. Mr. DesJardin joined Horizon Pharma from Raptor in October 2016 as part of the Raptor acquisition. While at Raptor, Mr. DesJardin was the senior vice president of technical operations 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 our 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 a consultant to the Company 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 biotechnology 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.

Table of Contents

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 as chair of 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 has served as our executive vice president, chief commercial officer since March 2018. Prior to that, he served as our senior vice president, rheumatology business unit from February 2017 to March 2018, and before that, from July 2014 until February 2017, he served as our general manager, specialty business unit. 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.

Irina P. Konstantinovsky. Ms. Konstantinovsky has served as our executive vice president, chief human resources officer since September 2017. Prior to Horizon Pharma, from August 2012 to September 2017, she was vice president of global talent at Baxter International Inc., a healthcare products company, where she led a team of talent professionals worldwide and oversaw organizational effectiveness, leadership development, inclusion and diversity and talent acquisition. She and her team were responsible for talent management strategies, programs and systems for more than 50,000 employees worldwide. Prior to Baxter, Ms. Konstantinovsky spent 15 years in senior partner and director roles at Towers Watson (currently Willis Towers Watson), a global human resources consulting firm serving Fortune 1000 companies. While in these roles, she served as the interim chief human resource officer at Capital BlueCross for two years. Ms. Konstantinovsky has a bachelor of arts in education from the University of Buenos Aires and master s degrees in higher education and industrial and labor relations from Cornell University. In addition, she serves on the board of the Human Resource Management Association of Chicago.

Shao-Lee Lin. M.D., Ph.D. Dr. Lin has served as our executive vice president, head of research and development and chief scientific officer since January 2018. Prior to Horizon Pharma, Dr. Lin was a corporate officer and vice president, therapeutic areas, development excellence and international development at AbbVie, Inc., a pharmaceutical company, from March 2015 to December 2017. In that role, she led immunology, virology, neuroscience and general medicine, across on-market and pipeline compounds as well as international development across all therapeutic areas. Prior to AbbVie, Dr. Lin was vice president, inflammation and respiratory development at Gilead Sciences, Inc., a biopharmaceutical company, from July 2012 to February 2015. She also held leadership positions in immunology and other therapeutic areas while at Amgen Inc., a biotechnology company. Dr. Lin received her medical degree and doctorate at the Johns Hopkins University School of Medicine and completed fellowships and post-doctoral work in rheumatology, allergy and immunology at the University of California San Diego and The Scripps Clinic and Research Institute. She has a bachelor of science in biochemistry and chemical engineering from Rice University. Dr.

Lin is currently adjunct faculty at Northwestern University. She has previously been on the faculty of Rockefeller University as a Clinical Scholar and also served as adjunct faculty at Cornell, University of California Los Angeles (UCLA) and Stanford medical schools.

Eric B. Mosbrooker. Mr. Mosbrooker has served as senior vice president, orphan business unit since August 2017. Prior to that he was our group vice president and general manager, Americas and Asia Pacific, orphan business unit, from October 2016 to August 2017. Mr. Mosbrooker joined Horizon Pharma in October 2016 as part of the acquisition of Raptor. He has 15 years of experience in the healthcare industry, with the majority of his tenure focused on launching and commercializing treatments for rare diseases. Prior to joining Horizon Pharma, he was at Raptor from November 2012, where he served in various commercial management positions and led the U.S. launch of PROCYSBI. At the time of the Raptor acquisition, he was senior vice president, Americas and Asia Pacific at Raptor. Prior to Raptor, Mr. Mosbrooker served as the lead for commercial operations and market access at Enobia Pharma, Inc., a pharmaceutical company. He also served in increasing leadership roles for commercial operations at Onyx Pharmaceuticals, Jazz Pharmaceuticals Inc., Chiron Corporation and Millennium Pharmaceuticals.

Mr. Mosbrooker also has extensive experience in management, healthcare and technology consulting through positions at IBM,

Table of Contents

Teltech Resource Network Corporation and Kohler Company. Mr. Mosbrooker received a bachelor of science in industrial engineering from the University of Wisconsin.

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.

Jeffrey W. Sherman, M.D., FACP. Dr. Sherman has served as our executive vice president, chief medical officer since January 2018. From September 2014 to January 2018, Dr. Sherman served as our executive vice president, research and development and chief medical officer. From June 2011 until September 2014, Dr. Sherman served as our executive vice president, development, manufacturing, 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 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 2017 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
Paul W. Hoelscher	Executive Vice President, Chief Financial Officer
Irina P. Konstantinovsky	Executive Vice President, Chief Human Resources Officer
David A. Happel (1)	Executive Vice President, Commercial Development and Strategy
Barry J. Moze	Executive Vice President, Chief Administrative Officer

(1) David Happel resigned effective February 1, 2018.

Quick CD&A Reference Guide

We made significant progress in 2017 on our long-term strategy of building a diversified and durable, high-growth biopharmaceutical company focused on rare disease medicines. We generated full-year net sales of $1.06 billion, with our rare disease medicines, now representing approximately 60 percent of our net sales, increasing 60 percent year-over-year. In addition to expanding the commercial efforts for our key growth driver KRYSTEXXA, which we now believe has peak net sales potential of more than $750 million, we augmented our pipeline with the addition of HZN-001 (teprotumumab), a late-stage development fully human monoclonal antibody (mAb) insulin-like growth factor-1 receptor (IGF-1R) inhibitor candidate for the treatment of moderate to-severe thyroid eye disease (TED), as well as several new rheumatology pipeline programs.

Our Strategy

Our strategy has evolved over three phases. When we first launched as a public company in 2011, we rapidly established our infrastructure and commercial footprint, generating earnings and cash flow through the commercialization of our first two medicines, DUEXIS and RAYOS. In 2014, we began the second phase of our strategy, which focused on rapid diversification into rare disease medicines through key acquisitions that brought us ACTIMMUNE, RAVICTI, KRYSTEXXA and PROCYSBI. In 2017, we began the third phase of our strategy, building out a pipeline of differentiated and clinically meaningful, development-stage medicines to drive sustainable growth over the long term. At the same time, we remain focused on commercial execution and optimizing the growth of our rare disease medicines, as well as considering future commercial asset acquisitions.

Table of Contents

Rare Disease Medicines Are Driving Our Sales Growth

Net sales of our rare disease medicines grew 60 percent in 2017 compared to 2016. Net sales of KRYSTEXXA alone, our medicine for the treatment of uncontrolled gout, a rare disease, grew 72 percent in 2017, following the implementation of our commercial strategy to maximize the medicine s growth trajectory following its acquisition in January of 2016. We believe KRYSTEXXA has significant future growth potential and invested in its commercial organization in 2017, doubling its size to not only increase penetration in the rheumatology market, but also to tap into nephrology, a new market for KRYSTEXXA. We estimate that the nephrology market will have approximately the same addressable patient population as rheumatology. Our orphan business unit, which includes RAVICTI, PROCYSBI and ACTIMMUNE, provides us with a stable base of rare disease growth medicines.

CAGR: compound annual growth rate

Expanding Our Pipeline to Drive Sustainable Long-Term Growth

In May 2017, we acquired River Vision, and with the acquisition, added the first development-stage candidate to our pipeline teprotumumab, a fully human monoclonal antibody (mAb) inhibitor of insulin-like growth factor-1 receptor (IGF-1R). Teprotumumab, which demonstrated breakthrough efficacy in its Phase 2 trial, is in development for the treatment of moderate-to-severe TED, a rare and debilitating eye disease with no approved therapies. Enrollment for the Phase 3 confirmatory trial began in October 2017. We estimate the addressable population in the United States to be between 15,000 and 20,000 patients annually.

We also expanded our rheumatology pipeline programs in 2017, adding two next-generation biologic development programs to support and sustain our leadership position in the treatment of uncontrolled gout, as well as HZN-002, a novel dexamethasone conjugate to augment our rheumatology portfolio. In addition, two investigator-initiated immunomodulation studies are expected to start in 2018 to evaluate enhancing the response rate for KRYSTEXXA.

Table of Contents

(1) Immunomodulation arm expected to begin enrolling in first-quarter 2018.
(2) Trial expected to begin enrolling in first-quarter 2018.
(3) Teprotumumab is a fully human monoclonal antibody (mAb) IGF-1R inhibitor for moderate-to-severe TED.
(4) Registered trademark of Bristol-Myers Squibb Company.
(5) Registered trademark of Merck Sharp & Dohme Corp.
(6) Study with Taxol, Herceptin and Perjeta; Taxol is a registered trademark of Bristol-Myers Squibb Company. Herceptin and Perjeta are registered trademarks of Genentech.

TRIPLE: Tolerization Reduces Intolerance to Pegloticase and Prolongs the Urate Lowering Effect. RECIPE: REduCing Immunogenicity to PegloticasE. RIFLE: RAYOS (delayed release prednisone) Inhibits Fatigue in Lupus Erythematosus. OPTIC: Treatment of Graves Orbitopathy (Thyroid Eye Disease) to Reduce Proptosis with Teprotumumab Infusions in a Randomized, Placebo-Controlled, Clinical Study. CTCL: cutaneous T-cell lymphoma. HER2: human epidermal growth factor receptor 2.

Total Shareholder Return

Over the three- and five-year periods, we have outperformed both our peer group and the Nasdaq Biotechnology Index (NBI). With our durable base of rare disease medicines, our high-growth KRYSTEXXA medicine and the pipeline we are building for future growth, we believe Horizon Pharma is well positioned for rapid and sustainable growth going forward.

Note: The peer group used for the TSR calculations for the 1-, 3- and 5-year periods ended December 31, 2017 is our May 2017 peer group (shown on page 33).

Table of Contents

With a strategic focus on growing the business over the long term, it is imperative that our executive compensation program motivates our experienced, proven and talented management team in such a manner as to encourage and reward successful execution of the Company s long-term business strategy.

Our Pay Program

Our philosophy continues to be based on attracting and retaining top talent with experience in building and leading a successful biopharmaceutical company, while providing competitive compensation and benefits packages that create a direct, meaningful link between business results and compensation opportunities. In thoughtfully doing so, we believe we can align interests of management, employees and shareholders to set priorities and focus on executing our long-term business strategy.

Say on Pay Results and 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 four years, led by the Chairman of our Compensation Committee, we have conducted continued and consistent engagement with our shareholders.

Last year at the 2017 Annual General Meeting of Shareholders, our say-on-pay proposal received the support of approximately 97 percent of the shares voted. We believe this high level of support is a result of our comprehensive shareholder outreach and engagement program to solicit feedback, understand investor viewpoints and incorporate feedback into further discussions of our compensation programs and philosophy.

Through our shareholder engagement and outreach we have had very productive conversations, which continue to shape our programs and disclosures. Recent changes that were heavily influenced by shareholder feedback include:

Incentive compensation recoupment policy. This recently implemented policy enables the Company to recover performance-based cash and equity compensation that was later determined to not have been earned by our executive officers, due to restatements of financial results.

Annual long-term incentive grants going forward. Our philosophy on granting equity has changed as a result of feedback. Beginning with January 2018, we now plan on regular, annual grants of long-term incentives, instead of front-loaded awards that are intended to cover a multi-year period.

Balance between short-term and long-term performance metrics. Shareholder feedback informed our decision to combine both a short-term business performance metric and long-term relative TSR metric for the PSU awards granted in January 2018, as discussed below.

Board diversity. Diversity is an important principle for us at Horizon Pharma and several investors have indicated it is important to them as well. The addition to the Board in 2017 of Pascale Witz, with her extensive global healthcare management experience, and Dr. James Shannon, with his significant clinical development and management experience, further diversified our Board.

Table of Contents

Realizable Value of CEO Compensation

The table below shows compensation of our chief executive officer (CEO), and compares the reported values in the Summary Compensation Table to the realizable value as of the end of fiscal year 2017 based on our closing share price of $14.60 per share on December 29, 2017 (the last trading of the year). As shown below, the grant date fair value of our CEO s compensation as required to be reported in the Summary Compensation Table is not at all reflective of the actual realizable value that could be received.

Note:

Aggregate Reported Value includes compensation earned from 2014 to 2017 as disclosed in the Summary Compensation Table annually.

Aggregate Realizable Value is defined as the compensation earned or deliverable for each year calculated as of the end of the 2017 fiscal year, including: actual salary received, actual amounts earned under the annual cash incentive plan, and the intrinsic value of long-term incentive plan components, as valued on December 31, 2017 using the year-end share price. Options are valued based on spread value as of December 31, 2017. PSUs granted in 2015 are valued at zero based on TSR being below threshold performance as of December 31, 2017.

Table of Contents

Compensation Program Governance

Our Compensation Committee is responsible for oversight of our compensation program. A significant part of this oversight is aligning management interests with our business strategies and goals, as well as the interests of our shareholders, while also mitigating excessive risk taking. We continually take steps to strengthen and improve our executive compensation policies and practices. Highlights of our current policies and practices include:

What We Do		What We Don t Do
Align executive compensation with corporate and individual performance	X	No guaranteed bonuses or salary increases
Maintain strong share ownership guidelines for our directors and executives	X	No repricing of stock options without shareholder approval
Maintain an appropriate balance between short-term and long-term compensation, which discourages short-term risk taking at the expense of long-term results	X	No dividends or dividend equivalents paid on unearned shares
Engage an independent advisor reporting directly to the Compensation Committee	X	No NEO excise tax gross-ups
Apply anti-pledging and anti-hedging policy for our shares		
Cap annual and long-term incentive payouts		
Conduct compensation risk assessments		
Actively engage with our shareholders		
New: Require a one-year post-issuance holding period on all new equity grants for executive officers		

New: Apply an incentive compensation recoupment clawback policy

Objectives and Philosophy

We believe in providing a competitive total compensation package to our executive officers through a combination of base salary, annual cash bonuses, long-term incentives and severance and change-in-control benefits. Our executive compensation programs are designed to achieve the following objectives:

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

Our Compensation Committee believes that our executive compensation programs should include short- and long-term performance incentive components, including cash and equity-based compensation, and should reward consistent performance that meets or exceeds expectations. The Compensation Committee evaluates both performance and compensation to make sure that the total compensation provided to our executive officers remains competitive relative to compensation paid by companies of similar size and stage of development, operating in the pharmaceutical industry and appropriately reflects our relative performance and our own strategic objectives.

Table of Contents

Compensation Determination Process

Role of Compensation Committee

The Compensation Committee seeks to ensure that our executive compensation program is properly rewarding and motivating our executive officers while aligning their goals with our business strategy and the interests of our shareholders. To do this, our Compensation Committee conducts an annual review of the aggregate level of our executive compensation and the mix of elements used to compensate our executive officers and historic compensation levels, including prior equity awards.

When setting executive compensation opportunities, the Compensation Committee considers several factors, including:

- each NEO s role and responsibilities;
- achievement of key performance objectives and milestones;
- market factors, such as compensation practices of peer companies;
- compensation survey data, as applicable, such as the Radford Global Life Sciences Survey; and
- retention concerns.

Role of Chief Executive Officer in Compensation Decisions

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

Risk Analysis

The Compensation Committee has reviewed our compensation policies applicable to our executive officers and other employees and believes that our policies do not encourage excessive and unnecessary risk-taking, and that the level of risk that they do encourage is not reasonably likely to have a material adverse effect on us. The design of our compensation policies and programs encourages our executive officers and other employees to remain focused on both our short- and long-term goals. For example, while our short-term cash incentive plan measures performance on an annual basis, our equity LTIP awards, which consist of time-based equity awards (RSUs) and performance-based equity awards (PSUs) vest over a number of years. Furthermore, a portion of our PSUs require that we achieve a specified level of performance over multi-year periods, which we believe encourages our employees to focus on execution of our long-term strategy, thus limiting the potential value of excessive risk-taking.

Role of Independent Consultant

The Compensation Committee retains the services of third-party, independent executive compensation consultants from time to time, as it sees fit, in connection with the establishment of compensation programs and related policies. Since October 2016, the Compensation Committee has engaged Radford, an Aon Hewitt Company and a subsidiary of Aon plc (Radford), as its independent consultant. Total fees paid to Radford in 2017 were approximately $367,000. Radford was engaged to assist and advise on all aspects of compensation program design and pay setting, including, but not limited to, the following services:

- providing the Compensation Committee information on compensation-related trends and developments in the marketplace;
- informing the Compensation Committee of regulatory developments relating to executive compensation practices;
- advising the Compensation Committee on appropriate peer companies for compensation pay levels and design practices, as well as relative performance comparisons;
- assessing the executive compensation structure to confirm that no design elements encourage excessive risk taking; and
- assessing the relationship between executive compensation and corporate performance.

The Compensation Committee has assessed the independence of Radford according to the six factors mandated by SEC and Nasdaq Listing Rules. After conducting this assessment and considering any potential conflicts of interest, the Compensation Committee concluded that the continued engagement of Radford did not raise any conflict of interest and did not adversely affect Radford s independence.

Table of Contents

Peer Group

Although our Compensation Committee has historically used the Radford survey data as a tool in determining executive compensation, it typically has not used a formula or benchmark to set our executives compensation in relation to this data.

Instead, the Compensation Committee generally references the 50th percentile of comparable peer companies in combination with multiple other factors, such as the executives respective levels of experience and responsibility in determining the total target cash compensation for all executives.

In May 2017, our Compensation Committee reviewed and updated our peer group for purposes of making future compensation decisions. The selection criteria used were headcount, revenue and market capitalization of companies in the biotechnology and pharmaceutical industry. Medivation and Actelion were removed from the peer group, as both companies either had been or were in process of being acquired. Acorda Therapeutics, Nektar Therapeutics and The Medicines Company were added to the peer group. These peer group companies had 2016 median net sales of approximately $746 million, as compared to our net sales of approximately $981 million, and at the time the new peer group was adopted, 30-day average median market capitalization of approximately $4.6 billion, as compared to our 30-day average market capitalization of approximately $2.4 billion, and median headcount at December 31, 2016 of 890 employees, as compared to our headcount of 1,050 employees.

Acorda Therapeutics	Impax Laboratories, Inc.	Nektar Therapeutics
Alkermes plc	Incyte Corporation	Pacira Pharmaceuticals, Inc.
BioMarin Pharmaceutical Inc.	Ionis Pharmaceuticals, Inc.	Seattle Genetics, Inc.
Depomed, Inc.	Jazz Pharmaceuticals plc	The Medicines Company
Endo International plc	Mallinckrodt plc	United Therapeutics Corporation

Our executive compensation program primarily consists of base salary, annual cash incentives and long-term incentives delivered through equity and cash awards. Employees in more senior roles have an increasing proportion of their total pay package at risk and tied to performance because they are in a position to have greater influence on our performance results.

Element	Form	Corporate Performance Period	Service Period[1]	Objective
Base Salary	Cash (fixed)	N/A	Annual	Recognition of an individual s role and responsibilities; provides competitive pay for retention purposes

Short-Term Incentive	Cash (variable)	Annual	Annual	Variable pay designed to reward achievement of annual financial and corporate objectives and individual goals
Long-Term Incentives	Equity Long-Term Incentive Program (Equity LTIP) (variable)	Multi-year	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 our retention strategy
	Cash Incentive Program (CIP) (variable)	Annual	Multi-year	

New: Move to annual long-term cash and equity incentive grants, more closely aligned with overall market and industry standard practices

(1) Service period is the period over which continual service is required in order for incentives to become vested and earned.

Table of Contents

Base Salary

Base salaries for our executive officers are established based on the individual s scope of responsibilities, experience and market factors. Base salaries are generally reviewed annually, typically in connection with our annual executive compensation review process. The Compensation Committee references survey and peer group data to understand the marketplace for individuals in similar positions at the peer group companies.

The annual base salaries of our NEOs as of March 1, 2017 and any increase from their prior base salary levels, if applicable, are as follows:

Executive	2017	% Increase
Timothy P. Walbert	$ 1,050,000	9.52%
Paul W. Hoelscher	$ 550,000	9.09%
Irina P. Konstantinovsky(1)	$ 475,000	N/A
David A. Happel(2)	$ 500,000	N/A
Barry J. Moze	$ 576,000	4.51%

(1) Ms. Konstantinovsky joined Horizon Pharma in September 2017. Her salary as disclosed in the above table represents her annualized base salary as set forth in her employment agreement.

(2)

Mr. Happel joined Horizon Pharma in October 2016. His salary at that time was $500,000. He did not receive an increase as of March 1, 2017.

Short-Term Incentives

Individual Bonus Opportunities

We provide performance-based cash annual bonuses as an incentive for our executives to achieve defined, quantitative corporate goals, as well as certain qualitative objectives. These bonuses may range in payout from 0% to 200% of targeted payout levels. The overall structure of this program remains unchanged since 2014.

The target bonus opportunities were increased for Messrs. Walbert, Hoelscher and Moze in 2017 in order to bring their annual performance-based cash bonus target opportunity amounts in line with those provided by our peer group. Mr. Walbert s 2017 target bonus opportunity was increased from 100% to 115% of his base salary and Messrs. Hoelscher and Moze s target bonus opportunities were increased from 50% to 60% of their base salaries. Mr. Happel s and Ms. Konstantinovsky s bonus target opportunities were established by the Compensation Committee at the time of hire at a level consistent with that provided by our peer group.

Bonus opportunities in 2017 were as follows:

Executive	Threshold	Target	Maximum
	(as a % of base salary)		
Timothy P. Walbert	86.25%	115%	230%
Paul W. Hoelscher	45%	60%	120%
Irina P. Konstantinovsky[(1)]	37.5%	50%	100%
David A. Happel	37.5%	50%	100%

Barry J. Moze	45%	60%	120%

(1) Ms. Konstantinovsky joined Horizon Pharma in September 2017 and her bonus is pro-rated for the period of her employment with us during 2017.

How It Works

Our annual incentive plan provides our executives the opportunity to earn annual performance-based cash awards based on the achievement of a combination of quantitative goals (70% weighting) and qualitative goals (30% weighting). This represents a slight shift from 2016, when the weightings were 80% and 20%, respectively. The Compensation Committee determined that this new weighting was appropriate given a strategic shift in our business development strategy. Previously business development goals related solely to commercial-stage assets and were included as quantitative goals. In 2017, the Company expanded the business development focus to include development-stage assets. Given the complexity of quantifying business-development goals for development-stage assets, the Compensation Committee decided to establish qualitative business-development goals for 2017 instead of quantitative, as they had been set in prior years and therefore increasing the weighting of the 2017 qualitative goals to reflect this change.

Quantitative Goals

The Compensation Committee originally established the quantitative goals for the 2017 plan year in February 2017, with the goals allocated between net sales and adjusted earnings before interest, tax, depreciation and amortization (EBITDA) performance targets for the full 2017 calendar year. However, two unanticipated developments occurred during 2017 after the Compensation Committee originally established these performance goals and targets.

The first unanticipated development resulted from new business arrangements with pharmacy benefit managers (PBMs) and other payers that we had entered into in an effort to secure formulary status and reimbursement of our primary care medicines. The resulting impact of the new arrangements differed significantly from expectations; specifically, we saw higher-than-expected co-pay and other patient assistance costs as a percentage of gross sales and a higher-than-expected mix of PBM healthcare plans for which we pay higher commercial rebates. In addition, we experienced a higher rate of managed care control in our non-contracted business, an industry-wide trend, which ultimately resulted in significantly lower net pricing for our primary care medicines during 2017 when compared to the prior year while prescription performance was generally in line with our expectations.

The second unanticipated development was the sale in late June of 2017 of our European subsidiary that owned the marketing rights to our medicines PROCYSBI® and QUINSAIR for Europe, the Middle East and Africa (EMEA). While the sale of the business generated significant value, it also resulted in a decrease of our full-year 2017 total net sales.

Based on these unanticipated developments, it was apparent in the second quarter that the 2017 quantitative annual-goal threshold performance levels based on total net sales and adjusted EDITDA for 2017 were no longer attainable. The Compensation Committee was concerned that the failure to have achievable performance goals under the annual incentive plan for executive officers and broad-based employees could further jeopardize our full-year results and believed it was important to provide motivation to deliver strong second-half 2017 results. Therefore, the Compensation Committee approved modifications to each quantitative measure in August 2017, as described below. Adjusting the quantitative goals allowed executive officers and other employees to refocus on net sales and adjusted EBITDA goals to drive performance for the second half of the year. Each original goal, and its subsequent revision, is discussed in more detail below.

Net Sales

The Compensation Committee adjusted the quantitative net sales metric to reference individual net sales goals for each of our three business units instead of total Company net sales. By sub-categorizing the performance goals by individual business unit, the performance of one business unit would not impact the achievement levels of the other business units. In addition, to reflect the divestiture of the EMEA marketing rights to PROCYSBI and QUINSAIR, the net sales target for the orphan business unit was reduced by the projected amount of net sales for the marketing rights sold. The following tables compare the original net sales metrics to the revised net sales metrics:

Original Metric

Total Company Net Sales ($ millions)	Percentage of Target Bonus	Performance Levels Threshold 75%	Target 100%	125%	150%	Maximum 200%
	35%	$1,100	$1,265	$1,300	$1,350	$ 1,400

Table of Contents

Revised Metrics

Business Unit Net Sales ($ millions)	Percentage of Target Bonus	Performance Levels Threshold 75%	Target 100%	125%	150%	Maximum 200%
Orphan	11.67%	$407	$468	$481	$499	$ 518
Rheumatology	11.67%	$155	$178	$183	$190	$ 197
Primary Care	11.67%	$526	$605	$621	$645	$ 669

Adjusted EBITDA[1]

Additionally, the Compensation Committee modified the adjusted EBITDA metric to bifurcate performance for the first and second half of the year due to the adverse effect the two unexpected developments discussed above had on adjusted EBITDA and to adjust the second-half performance goals based on our internal forecast for the second half of the year. The bifurcation was chosen to provide motivation to drive performance over the second half of the year, which we believe achieved its intended objectives. The following tables compare the original adjusted EBITDA metrics to the revised adjusted EBITDA metrics:

Original Metric

Adjusted EBITDA ($ millions)	Percentage of Target Bonus	Performance Levels Threshold 75%	Target 100%	125%	150%	Maximum 200%
Full Year 2017	35%	$480	$550	$570	$590	$610

Revised Metrics

Adjusted EBITDA ($ millions)	Percentage of Target Bonus	Performance Levels Threshold 75%	Target 100%	125%	150%	Maximum 200%
First Half 2017	17.5%	$200	$229	$237	$245	$254
Second Half 2017	17.5%	$187	$215	$223	$230	$238

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

Qualitative Goals

The qualitative goals (30% weighting) for 2017 were:

People and Culture (15%)

Ensure corporate culture of compliance by achieving our corporate objectives while operating in a fully compliant manner. (10%)

Continue to build organization through recruitment and retention of key talent and providing opportunities for development and advancement of organization, and introduction of scalable human resources technology to support growth. (5%)

Business Development (15%)

Ensure any product and/or company acquisitions are integrated seamlessly to achieve Board-approved deal financial models. (5%)

Continue to grow and diversify the product portfolio and pipeline by announcing and/or completing new transactions that advance our strategic growth goals and meet or exceed pre-determined acquisition criteria. (10%)

Table of Contents

The Compensation Committee chose these qualitative goals because these are the best indicators of the achievement of our operating plan, and they represent the factors most critical to increasing total shareholder value.

How Did We Do?

The Compensation Committee believes the sub-categorization of net sales goals by business unit and the half-year bifurcation of the adjusted EBITDA goal was successful. It held employees accountable for the primary care business unit net sales and first-half adjusted EBITDA performance given the impact of the unanticipated developments resulted from new business arrangements with the PBMs. This sub-categorization also provided proper motivation to executive officers and broad-based employees to deliver strong results in the second half of the year. Notwithstanding the unanticipated developments impacting our primary care business unit during 2017, due to the strong performance of our orphan and rheumatology business units, we generated a year-over-year increase in total net sales in 2017. This validates our diversification strategy to move rapidly into rare disease medicines. This strategy enabled us to grow net sales in a year where there was a net pricing challenge for our largest business unit at the time. Furthermore, our adjusted EBITDA increased substantially in the second half of 2017 compared to the first half of the year.

Actual results in 2017 for each quantitative goal were as follows:

Quantitative Goal (70% Weighting) ($ millions)	2017 Performance		
	Percentage of Target Bonus	Actual	% Achieved
Total Net Sales			
Orphan	11.67%	$467	99.5%
Rheumatology	11.67%	$214	200%
Primary Care	11.67%	$375	0%
Adjusted EBITDA			
First Half 2017	17.50%	$179	0%

Second Half 2017	17.50%	$211	96.3%
	Aggregate Quantitative Performance Achieved		51.7%

In addition, the Compensation Committee considered the qualitative measures (as described above) to be achieved at 150% of the 30% qualitative target, or 45%, for the year. This achievement level was determined based on numerous factors.

With regards to our people and culture objectives, we completed a long-term corporate strategy and organizational structuring process, made significant investments in executive management and other key talent and received multiple 2017 workplace awards, including three *Fortune Magazine* 2017 surveys One of the Best Workplaces in Health Care, 100 Best Small & Medium Workplaces and 2017 Best Work Places to Work in Chicago as well as the 2017 *Crain s Chicago Business* Best Places to Work and *Chicago Tribune s* 2017 Top Medium-Sized Workplaces.

With regards to our business development objectives, we expanded our pipeline with the acquisition of HZN-001 (teprotumumab), a late-development stage fully human monoclonal antibody candidate for the treatment of moderate-to-severe TED; we successfully integrated the 2016 Raptor and 2017 River Vision acquisitions, we acquired HZN-003, a potential next-generation biologic for uncontrolled gout and we generated significant value from the divestiture of our European subsidiary that owned the EMEA marketing rights to PROCYSBI and QUINSAIR.

The achievement percentage for the quantitative objective was 51.7% and the achievement percentage for the qualitative objective was 45.0%, resulting in a total achievement percentage for both objectives of 96.7%.

Table of Contents

In February 2018, based on management s recommendations and the Compensation Committee s own review, deliberation and determination of achievement of the corporate objectives listed above, along with determination of the NEOs individual contributions toward meeting those objectives described above, the Compensation Committee approved cash bonus awards for our NEOs as follows, which were paid in March 2018:

Executive	2017 Target Bonus Opportunity	Total % of Target Bonus Earned	2017 Earned Annual Incentive
Timothy P. Walbert	$ 1,207,500	96.7%	$ 1,167,653
Paul W. Hoelscher	$ 330,000	96.7%	$ 319,110
Irina P. Konstantinovsky(1)	$ 72,876	96.7%	$ 70,471
David A. Happel(2)	$ 250,000	96.7%	$ 241,750
Barry J. Moze	$ 345,600	96.7%	$ 334,195

(1) Ms. Konstantinovsky, who joined the Company in September 2017, was eligible to earn a pro-rata 2017 performance bonus for the period of employment during 2017 pursuant to the terms of her employment agreement.

(2) Mr. Happel resigned effective February 1, 2018.

There were no additional discretionary bonuses awarded to any executives in 2017, other than the sign-on bonus awarded to Ms. Konstantinovsky in connection with her joining the Company, as described below.

Long-Term Incentives

Our Compensation Committee believes in a strong pay-for-performance program and culture which encourages a long-term focus from the executive officers and aligns their interests with those of our shareholders. To achieve this, the Compensation Committee utilizes several different vehicles for our long-term awards:

- Time-based equity awards: RSUs;
- Performance-based equity awards: PSUs; and
- Cash Incentive Plan (CIP).

Following the grant of our front-loaded 2015 equity awards, we did not maintain a practice of making regular, annual grants, and executive officers did not receive refresher grants in 2016 or 2017. The 2015 equity grants were intended to serve as equity compensation for a three-year period. While we believe this was appropriate at the time, after shareholder feedback and other market considerations, the Compensation Committee has introduced regular, annual equity awards beginning in 2018.

2015 Equity Grants

In 2015, executives received both time-based and performance-based equity grants, which were front-loaded grants intended to cover the subsequent three years of equity grants. The time-based awards were intended to bring our executives ownership levels to market competitive levels.

These 2015 PSUs were intended to provide economic incentives for our leadership team to create significant long-term shareholder value by tying the 2015 PSU vesting levels to attainment of extremely aggressive TSR hurdles over a three-year performance period. Any earned awards would also be subject to a two-year additional holding period. One-third of the 2015 PSUs expired without vesting on December 23, 2017. Given that total shareholder return during the performance period has to be at least 15% compounded annually in order for any portion of the 2015 PSUs to vest, the remaining two-thirds of these 2015 PSUs vesting on March 23, 2018 and June 23, 2018 will most likely not be earned and will expire without any vesting.

2017 Long-Term Incentive Grants

Due to the long-term, front-loaded equity awards granted in 2015, no new equity awards were granted to incumbent NEOs in 2017, consistent with 2016. The only NEO who received long-term incentive grants in 2017 was Ms. Konstantinovsky, who joined Horizon Pharma in September 2017, and received new-hire time-based equity grants at a level in line with the rest of the executive officers, while also making Ms. Konstantinovsky whole for equity grants from her previous employer which were forfeited upon her resignation. In total, Ms. Konstantinovsky received $1.8 million of value in employment inducement equity awards, split evenly between stock options and RSUs.

Table of Contents

2018 Long-Term Incentive Grants

In light of market competitiveness and investor feedback, we decided to move away from making front-loaded triennial grants and instead adopted a regular, annual long-term incentive grant schedule. To begin this practice, in January 2018 we granted the executive officers equity awards, in the form of RSUs and PSUs, as well as implemented the CIP.

In order to further align the interests of our executive officers with those of our shareholders, we award a higher percentage of performance-based equity compensation than the majority of our industry peers. In addition, our performance-based equity compensation is aligned with all of our stated compensation objectives, including linking executive pay with performance. Further, we believe that a move to annual grant cycles will allow us to more easily manage shareholder dilution and burn rate, while still providing market-competitive incentive opportunities.

We believe these grants align the interests of our executive officers and shareholders in two ways:

- a large portion of the equity grants and all of the CIP awards vest contingent on performance and also have a continued service requirement; and
- equity grants have a one-year holding period after any vested shares are issued.

	2018 Long-Term Incentive Plan Components		
	PSUs	**RSUs**	**CIP**
Performance Criteria/Period	70%: 2018 Net Sales for business units 30%: Three-year Relative TSR (2018-2020)	N/A	70%: KRYSTEXXA 2018 vial sales growth 30%: Teprotumumab Phase 3 enrollment progress at December 31, 2018
Maximum Award	200% of Target Award	N/A	150% of Target Award
Service Vesting period	70% (2018 Net Sales): Three equal annual	Vest one-third annually over three years	Three equal annual installments

	installments 30% (Relative TSR): Three-year cliff vesting		
Post-Issuance Holding Period	1 year	1 year	N/A

Equity Awards

In January 2018, we awarded a mix of performance-based PSUs and time-vested RSUs to key executive participants.

Vesting of these equity awards, as described below and in a separate Form 8-K filing on January 11, 2018, is also generally contingent on shareholder approval of our Amended and Restated 2014 Equity Incentive Plan set forth in Proposal 6. However, if a definitive agreement for a change-in-control is executed prior to the 2018 Annual General Meeting and certain other employment conditions are satisfied, the RSUs and PSUs will be deemed vested, but settled pursuant to a cash payment equal to the value of the shares that would otherwise have been issued if they had vested.

The PSUs utilize two performance metrics, a short-term component tied to business performance and a long-term component tied to relative TSR. Shareholder feedback informed our decision to include both the short- and long-term metrics:

Net Sales (70%). This portion of the PSU award will be determined by the net sales for each of our business units in 2018, weighted with the rheumatology and orphan business units comprising the majority of the 70% target.

Relative TSR (30%). This portion of the award will be determined by reference to our relative TSR performance over a three-year period ending December 31, 2020, as measured against the components of the Nasdaq Biotechnology Index (NBI).

If a divestiture of any of our business units occurs before December 31, 2018, other than in connection with a change-in-control, the portion of the Net Sales PSU that may vest based upon nets sales of the applicable business unit will be calculated based on the greater of: (i) 100% achievement of net sales target for the applicable business unit or, (ii) the portion of the Net Sales PSU that would have been earned if the divestiture had not occurred as determined by the Compensation Committee.

The maximum number of PSUs that may vest is 200% of the target number of PSUs.

Table of Contents

In addition to aligning executive interests with shareholders by tying vesting of a meaningful percentage of equity compensation to performance hurdles, we are further strengthening this alignment by implementing a 12-month post-issuance holding period on all new equity awards for our executive officers, including our NEOs.

Our NEOs received the following RSU and PSU awards in January 2018:

Executive	RSUs *(number)*	PSUs *(target number)*
Timothy P. Walbert	458,899	458,899
Paul W. Hoelscher	197,087	197,087
Irina P. Konstantinovsky	51,779	51,779
David A. Happel[(1)]	20,388	20,388
Barry J. Moze	51,779	51,779

(1) Mr. Happel announced his resignation on January 18, 2018, effective February 1, 2018. As such, his RSUs and PSUs were forfeited.

Cash Incentive Program

In addition to the equity compensation awards described above, the Compensation Committee also approved a performance-based cash incentive program, the CIP, for our executive officers, including the NEOs, to motivate executives to achieve certain financial and business-related milestones related to our current strategic business initiatives and long-term strategy.

These performance-based cash incentives are eligible to be earned if the Company achieves key milestones in our rheumatology and orphan business units:

KRYSTEXXA vial sales growth in 2018 (70%)

Target patient enrollment levels in the teprotumumab phase 3 clinical trial by December 31, 2018 (30%)

If a change-in-control occurs before December 31, 2018, the CIP award amount will be calculated by reference to the greater of: (i) the target cash bonus award amount, or (ii) such cash bonus amount as would have been earned if the change-in-control had not occurred, to the extent reasonably calculable, and as determined by the Compensation Committee.

Executives may earn up to 150% of their target cash incentive program award. The cash incentive program amount eligible to be earned (as determined after application of the performance criteria) is earned over a three-year service vesting period.

Our NEOs received the following cash incentive target awards:

Executive	Cash Incentive Program Target Award
Timothy P. Walbert	$ 3,000,000
Paul W. Hoelscher	$ 900,000
Irina P. Konstantinovsky	$ 500,000
David A. Happel[(1)]	$ 200,000
Barry J. Moze	$ 500,000

(1) Mr. Happel announced his resignation on January 18, 2018, effective February 1, 2018. As such, his cash incentive target award was forfeited.

Table of Contents

Executive Share Ownership Guidelines

We have share ownership guidelines, which were adopted in September 2014 and modified in February 2018, that establish the following minimum ownership levels within five years of the adoption of the guidelines (or within five years of the date an executive officer or director first becomes subject to them):

Position	Guideline
CEO	5x base salary
Executive Committee Members	2x base salary
Non-employee Directors	2x annual cash retainer

Individual ownership interest is reviewed annually as of the last day of the calendar year. The dollar value of shares at the end of a given calendar year is determined using the average closing price of Horizon Pharma shares over the three-month period of September, October and November of that calendar year. Shares that count toward satisfaction of these guidelines include: shares owned outright by the individual (including stock units that have vested but not yet settled); shares retained after an option exercise or issuance under another type of equity award granted under the company s equity incentive plans; shares retained after purchase under our Employee Stock Purchase Plan; shares subject to RSUs that have not vested; and shares held in trust for the benefit of the individual or his/her spouse. Any unvested PSUs and unexercised stock options, whether vested or unvested, are not counted toward satisfaction of these ownership guidelines. All executive officers and directors subject to the share ownership guidelines met the guidelines as of February 28, 2018.

Holding Period Policy

Any shares issued in settlement of any equity award granted to any executive officers on or after January 5, 2018, is subject to a minimum holding period of one year before the shares may be sold or transferred.

Hedging and Pledging Policies

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

Clawback Policy

As a public company, if we are required to restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws as a result of misconduct, our Chief Executive Officer and Chief Financial Officer may be legally required to reimburse our company for any bonus or other incentive-based or equity-based compensation they receive in accordance with the provisions of section 304 of the Sarbanes-Oxley Act of 2002. Additionally, in January 2018 the Compensation Committee approved an incentive compensation recoupment policy, which provides for recoupment of certain compensation paid to executive officers of the Company under certain circumstances involving material financial restatements. Any cash and equity incentive compensation that is paid, awarded or vested based on the achievement of reported financial results and that is approved, granted or awarded on or after January 5, 2018 is subject to potential recoupment in accordance with the terms of the incentive compensation recoupment policy, including but not limited to any compensation approved, granted, or awarded under our annual cash bonus plan and PSUs under our 2018 Long-Term Incentive Program.

Timing of Equity Awards

Grants of equity awards to our executive officers are generally determined and approved at our pre-scheduled quarterly Compensation Committee meetings whenever practicable. However, the Compensation Committee may otherwise approve the grant of equity awards in advance of its next scheduled meeting in connection with a new hire, promotion, and other circumstances where the Compensation Committee deems it appropriate to make such grants. The 2018 Long-Term Incentive Program grants to executive officers were approved at a special meeting of the Compensation Committee in January 2018, not at a pre-scheduled quarterly meeting. This program was developed through review and discussion by the Compensation Committee at several pre-scheduled quarterly meetings during 2017. At its November 2017 pre-scheduled quarterly meeting, the

Table of Contents

Compensation Committee decided to hold a special meeting in early January 2018 to approve final grants under this program, due to the fact that the CIP and PSU awards under the program have performance vesting metrics that began on January 1, 2018. In the future, we expect to continue having a significant portion of our executive officer equity compensation be performance based and believe it is likely that future-year grants will be approved at special Compensation Committee meetings in January.

All stock options are granted with an exercise price that is not less than the closing price of our ordinary shares on The Nasdaq Global Select Market on the grant date. It is our policy not to purposely accelerate or delay the public release of material information in consideration of a pending equity grant to allow the grantee to benefit from a more favorable shareholder return. We recognize that a release of information by the Company in close proximity to an equity grant may appear to be an effort to time the announcement to a grantee s benefit (even if no such benefit was intended). Accordingly, it is our policy that our management team makes a good faith effort to advise the Compensation Committee whenever it is aware that material non-public information is planned to be released to the public in close proximity to the grant of equity awards.

Accounting and Section 162(m) Tax Considerations

We account for share-based awards exchanged for employee services in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation Stock Compensation (ASC Topic 718). Assumptions used in the calculation of these awards are included in Note 21 Equity Incentive Plans in the Notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. These amounts do not necessarily correspond to the actual value recognized or that may be recognized by the NEOs.

Prior to December 22, 2017, when the Tax Cuts and Jobs Act of 2017 (TCJA) was signed into law, Section 162(m) of the Internal Revenue Code of 1986, as amended (IRC), limited our deduction for federal income tax purposes to not more than $1 million of compensation paid to certain executive officers in a calendar year. Compensation above $1 million could be deducted if it was performance-based compensation. Under the TCJA, the performance-based exception has been repealed and the $1 million deduction limit now applies to anyone serving as the chief executive officer or the chief financial officer at any time during the taxable year and the top three other highest compensated executive officers serving at fiscal year-end. The new rules generally apply to taxable years beginning after December 31, 2017.

The TCJA also provides for transitional guidance that will allow certain payments made under written and binding agreements entered into prior to November 2, 2017, to be treated as if they were made under the provisions of Section 162(m) that were in effect prior to enactment of the TCJA. We are in the process of gathering information on our existing compensation arrangements for covered employees as well as assessing the impact of transitional guidance on the realizability of existing deferred tax assets related to our compensation arrangements. Pending further guidance on the TCJA transition rules, we did not recognize deferred tax assets as of December 31, 2017 for any portion of 2017 bonus awards that resulted in total compensation over $1 million for any of our NEOs.

Prior to the TCJA, the Compensation Committee had not adopted a policy requiring all compensation to be deductible, in order to maintain flexibility in compensating our executive officers in a manner designed to promote our objectives. Going forward, while the Compensation Committee intends to evaluate the effects of the revised compensation limits of Section 162(m) on any compensation it proposes to grant, the Compensation Committee intends to continue to provide future compensation in a manner consistent with our best interests and those of our shareholders, including compensation that is potentially not deductible.

Employment Agreement Irina P. Konstantinovsky

In September 2017 we hired Ms. Konstantinovsky and appointed her as our executive vice president, chief human resources officer.

Ms. Konstantinovsky s compensation package includes:

- base salary of $475,000;
- target bonus opportunity of 50% of base salary, with the 2017 bonus opportunity pro-rated for the period of her 2017 employment;
- a sign-on cash bonus of $237,500, payable March 31, 2018 subject to continued services through such date;
- a grant of 131,606 stock options, vesting 25% on the first anniversary of the grant date and 1/36th monthly thereafter; and
- a grant of 64,056 RSUs, vesting 25% on each anniversary of the grant date for four years.

The Compensation Committee determined that these base salary and bonus target levels were appropriate in order to induce Ms. Konstantinovsky s commencement of employment and in order to establish her base salary and annual cash incentive compensation levels in line with those of the rest of our executive officers. The Compensation Committee also determined that the time-based vesting stock option and RSU award grants to Ms. Konstantinovsky were in line with those granted to our executive team members and were appropriate in order to give Ms. Konstantinovsky an equity stake in our business and thereby align her interests with those of our shareholders. Additionally, because Ms. Konstantinovsky was forfeiting rights to any 2017 bonus earned at her previous employer, the Compensation Committee determined to grant Ms. Konstantinovsky the sign-on bonus described above.

Severance and Change-in-Control Benefits Summary

Our NEOs are provided with certain severance benefits in order to assist us in recruiting and retaining talented individuals and align the executives interests with the best interests of the shareholders. We believe these severance benefits are consistent with those provided by our peer group are an essential element of our overall executive compensation package due to the competitive market for executive talent in our industry. The Compensation Committee believes that the severance benefits are an important element of the NEOs retention and motivation and that the benefits of such severance rights agreements, including generally requiring a release of claims against us and entering into a non-competition agreement as a condition to receiving any severance benefits are in our best interests. Enhanced severance benefits are provided for a qualifying termination that occurs in connection with a change-in-control because the severance benefits are also intended to eliminate, or at least reduce, the reluctance of our executive officers to diligently consider and pursue potential change-in-control transactions that may be in the best interests of our shareholders.

In May 2017 we adopted amendments to our executive officer employment agreements, including our NEOs, to make the following changes to bring their severance benefits in line with market practices and because we believed that their previous levels of severance benefits were overly modest and therefore posed a significant retention risk:

- increase from 12 to 24 months the base salary, bonus and COBRA severance benefits provided to Mr. Walbert for a qualifying termination of employment not related to a change-in-control;

- increase from 24 to 36 months the base salary, bonus and COBRA severance benefits provided to Mr. Walbert for a change-in-control related qualifying termination;

- increase from 12 to 18 months the base salary, bonus and COBRA severance benefits provided to our other executives for a change-in-control related qualifying termination; and

- provide for 12 months vesting acceleration of equity awards in connection with a termination not related to a change-in-control (18 months vesting acceleration of equity awards for Mr. Walbert).

A description of the severance benefits provided under the amended executive officer employment agreements is provided below under the heading *Potential Payments Upon Termination or Change-in-Control.*

Deferred Compensation Plan

All of our executive officers are eligible to participate in our non-qualified Deferred Compensation Plan, which allows the participants to defer receipt of their compensation and recognition of associated income taxes without being subject to the deferral contribution limits of our 401(k) Plan, which provides additional tax and financial planning flexibility. Our policy is to match Deferred Compensation Plan deferrals under the same matching contribution formula that we apply to our 401(k) Plan. Accordingly, for 2017 we adjusted the matching contribution formula for our Deferred Compensation Plan to 100% of the first 3% and 50% of the next 2% of deferrals, which is the same safe harbor matching contribution formula we used for our 401(k) Plan for 2017. A description of our Deferred Compensation Plan is provided below under the heading *Nonqualified Deferred Compensation.*

Other Benefits

All of our executive officers are eligible to receive our standard employee benefits, such as participation in our 401(k) Plan, medical, dental, vision coverage, short-term disability insurance, long-term disability insurance, group life insurance, vacation, holiday, and the 2014 Employee Stock Purchase Plan, in each case on the same basis as our other employees. Our vacation policy allows no more than 40 vacation hours to be carried over to the following year. We also reimburse our executives, including our NEOs, up to $15,000 of personal financial planning services incurred annually and related tax gross ups. We believe that financial planning by experts reduces the time our executives spend on that topic and assists our executives in making the most of the financial rewards received from the Company. We also reimburse our executive officers for any travel expenses and related tax gross ups they incur in connection with any business-related travel which does not meet the strict eligibility requirements to be treated as a non-taxable business expense reimbursement in accordance with applicable tax guidelines. We believe that the cost of providing these benefits is reasonable in light of the benefit to our business of having our executive officers more focused on attaining our business objectives in connection with any business-related travel. The Compensation Committee periodically reviews the levels of benefits provided to executive officers to ensure they remain reasonable and consistent with its compensation philosophy.

Table of Contents

Compensation Committee Report

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

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with the management of the Company. Based on this review and discussions, the Compensation Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated into the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

This report has been furnished by the members of the Compensation Committee:

Jeff Himawan, Ph.D., *Chairman*

William F. Daniel

Gino Santini

Table of Contents

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table provides information regarding the compensation earned during the years ended December 31, 2017, 2016 and 2015 by our NEOs.

l Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan ($)(2)	All Other Compensation ($)(3)	T
. Walbert	2017	$ 1,033,333	$	$	$	$ 1,167,653	$ 141,039	$ 2
	2016	$ 950,000	$ 1,000(4)	$	$	$ 1,023,150	$ 303,424	$ 2
President								
cutive								
	2015	$ 859,375	$ 67,650(5)	$ 43,498,946(6)	$ 47,358,219	$ 1,532,350	$ 62,537	$ 93
oelscher	2017	$ 541,667	$	$	$	$ 319,110	$ 69,335	$
	2016	$ 500,000	$ 1,000(4)	$	$	$ 269,250	$ 133,764	$
Vice								
ncial								
	2015	$ 454,375	$ 46,750(5)	$ 13,862,589(6)	$ 4,106,986	$ 403,250	$ 44,164	$ 18
	2017	$ 147,538	$	$ 899,987	$ 899,994	$ 70,471	$ 1,449	$ 2
novsky(10)								
Vice								
nan								
Officer								
Happel(7)	2017	$ 500,000	$ 1,085,000(11)	$	$	$ 241,750	$ 77,000	$ 1
	2016	$ 103,288	$ 129,000(8)	$ 582,496	$ 582,818	$ 156,975(9)	$ 16,847	$ 1
Vice								
al								
ent and								

loze	2017	$ 571,667	$	$	$	$ 334,195	$ 71,675	$
	2016	$ 550,000	$ 1,000(4)	$	$	$ 296,175	$ 104,380	$
Vice								
ative								
	2015	$ 456,458	$	$ 10,579,479(6)	$ 2,574,307	$ 443,575	$ 18,627	$ 1

(1) Amounts shown in this column do not reflect actual compensation received by our NEOs. The amounts reflect the grant date fair value of the awards and are calculated in accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation Stock Compensation (ASC Topic 718). Assumptions used in the calculation of these awards are included in Note 21 Equity Incentive Plans in the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. These amounts do not necessarily correspond to the actual value recognized or that may be recognized by the NEOs.

The 2015 option awards and stock awards consisted of time-based grants and PSUs and were up-front grants intended to cover the next three years of equity grants for the executive team. Beginning in January 2018, we will no longer grant front-loaded awards that are intended to cover equity awards to the executive team for a multi-year period. Additionally, as we have previously committed, any of the PSUs that remain outstanding at the expiration of the three-year PSU performance period but are not earned due to our failure to attain the requisite performance criteria will be cancelled at such time and the related ordinary shares will not be added back in the pool of authorized shares available for grant under our equity plan.

(2) As applicable, reflects amounts earned in fiscal years 2017, 2016 and 2015 and paid in March 2018, March 2017 and March 2016, respectively, pursuant to our annual cash incentive compensation plan in effect for such fiscal year. For further information please see the Compensation Discussion and Analysis above.

Table of Contents

(3) Amounts shown in this column include the following items:

	Year	Vacation Payout[(a)]	Imputed Income on Life Insurance Benefits	401(k) Matching Contributions	Deferred Compensation Plan/ Pension Contributions	Financial Planning/ Legal Fee Reimbursements (including tax gross up)	Personal Travel Expenses (including tax gross up)[(b)]	Total
Timothy P. Walbert	2017	$	$ 342	$ 10,800	$ 82,259	$ 28,145	$ 19,493	$ 141,039
	2016	$ 127,880	$ 336	$ 7,950	$ 76,500	$ 27,624	$ 63,134	$ 303,424
	2015	$	$ 336	$ 7,800	$ 19,744	$ 27,624	$ 7,033	$ 62,537
Paul W. Hoelscher	2017	$	$ 342	$ 10,800	$ 32,437	$ 15,009	$ 10,747	$ 69,335
	2016	$ 24,619	$ 336	$ 7,950	$ 28,500	$ 18,416	$ 53,943	$ 133,764
	2015	$	$ 336	$ 7,950	$ 10,429	$ 18,416	$ 7,033	$ 44,164
Irina P. Konstantinovsky	2017	$	$ 114	$	$	$ 1,335	$	$ 1,449
David A. Happel	2017	$	$ 342	$ 7,946	$ 20,000	$ 19,022	$ 29,690	$ 77,000
	2016	$ 15,385	$ 130	$	$	$	$ 1,332	$ 16,847
Barry J. Moze	2017	$	$ 342	$ 10,800	$ 34,714	$ 15,009	$ 10,810	$ 71,675
	2016	$ 11,565	$ 336	$ 7,950	$ 30,000	$ 16,465	$ 38,064	$ 104,380
	2015	$	$ 336	$ 7,800	$ 10,491	$	$	$ 18,627

(a) Effective January 1, 2016, we changed our vacation policy to allow no more than 40 hours to be carried over to the following year. This represents a one-time vacation payout to all employees in January 2016 of accrued vacation balances greater than 40 hours at December 31, 2015. The amount for Mr. Happel reflects a one-time vacation payout made at the time of our acquisition of Raptor Pharmaceutical Corp. (Raptor) of accrued vacation balances greater than 40 hours.

(b) Represents travel expenses and related tax gross ups in connection with business related travel which does not meet the strict eligibility requirements to be treated as a non-taxable business expense reimbursement in accordance with applicable tax guidelines.

(4) One-time $1,000 discretionary bonus paid to all employees as a result of the Company reaching $1 billion of non-GAAP adjusted net sales.

(5) Represents an additional discretionary bonus approved by the Compensation Committee in February 2016 for performance in 2015 and paid in March 2016.

(6) Includes PSUs and time-based RSUs granted in 2015. The maximum potential payout values to our named executive officers under the PSUs are not determinable because such maximum potential value is dependent upon the future value of our stock. The following amounts are the potential payout values for the remaining, unvested

PSUs as calculated based on the assumed attainment of the 60% TSR level during the three-year performance period, with a resulting share price of $88.06 on March 22, 2018: $79,254,000 for Mr. Walbert, $27,357,307 for Mr. Hoelscher and $21,838,880 for Mr. Moze. The actual PSU value realized may be significantly higher or lower than the foregoing amounts calculated.

(7) Mr. Happel joined us in October 2016 as part of the Raptor acquisition and resigned effective February 1, 2018.

(8) Includes a $128,000 retention bonus for Mr. Happel and a one-time $1,000 discretionary bonus paid to all employees for reaching $1 billion of non-GAAP adjusted net sales in 2016. Pursuant to Mr. Happel s transition agreement with Raptor entered into in October 2016 (Transition Agreement), he was eligible to earn and receive the $128,000 retention bonus subject to his continued employment with us through December 31, 2016. The retention bonus was paid to Mr. Happel in January 2017.

(9) Pursuant to his Transition Agreement with Raptor, Mr. Happel was eligible to receive a target bonus of $156,975 which was subject to his continued employment with us through December 31, 2016. In February 2017, the Compensation Committee approved Mr. Happel s bonus in the amount of $156,975 or 100% of his target bonus, which was paid in March 2017.

(10) Ms. Konstantinovsky joined the Company in September 2017.

(11) Includes a $335,000 retention bonus subject to Mr. Happel s continued employment with us from January 1, 2017 through May 15, 2017, which was paid to Mr. Happel in May 2017 and a $750,000 retention bonus subject to his continued employment with us from May 15, 2017 through November 1, 2017, which was paid to Mr. Happel in November 2017.

Table of Contents

The following table sets forth certain information regarding grants of non-equity incentive plan and equity incentive plan-based awards to our NEOs for 2017:

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards						
ame	Award Type	Grant Date	Threshold	Target	Maximum	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Stock Option Awards: Number of Securities Underlying Options	Option Exercise Price ($)	Grant Date Value o Stock and Option Awards ($
mothy P. lbert	Annual Cash	N/A	$ 905,625	$ 1,207,500(2)	$ 2,415,000				
ul W. elscher	Annual Cash	N/A	$ 247,500	$ 330,000(3)	$ 660,000				
na P. nstantinovsky	Annual Cash	N/A	$ 54,657	$ 72,876(4)	$ 145,752				
	RSU	9/11/2017				64,056(7)			$ 899,98
	Option	9/11/2017					131,606(8)	$ 14.05	$ 899,99
avid A. ppel	Annual Cash	N/A	$ 187,500	$ 250,000(5)	$ 500,000				
arry J. Moze	Annual Cash	N/A	$ 259,200	$ 345,600(6)	$ 691,200				

(1) Amounts shown in this column do not reflect dollar amounts actually received by our NEOs. Instead, these amounts reflect the grant date fair value of such awards and are calculated in accordance with the provisions of ASC Topic 718. Assumptions used in the calculation of these amounts and further information on our stock options and RSUs are included in Note 21 Equity Incentive Plans in the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017. These amounts do not necessarily correspond to the actual value realized or that may be realized by the NEOs.

(2) Mr. Walbert s target bonus for 2017 was $1,207,500, or 115% of his base salary as of December 31, 2017. In February 2018, the Compensation Committee approved Mr. Walbert s bonus in the amount of $1,167,653, or 96.7% of his target bonus, which was paid in March 2018.

(3) Mr. Hoelscher s target bonus for 2017 was $330,000, or 60% of his base salary as of December 31, 2017. In February 2018, the Compensation Committee approved Mr. Hoelscher s bonus in the amount of $319,110, or 96.7% of his target bonus, which was paid in March 2018.

(4) Ms. Konstantinovsky joined us on September 11, 2017. Her target bonus for 2017 was $72,876, or 50% of her base salary, pro-rated based on days in service for 2017. In February 2018, the Compensation Committee approved her bonus in the amount of $70,471, or 96.7% of her target bonus (pro-rated based on days in service in 2017), which was paid in March 2018.

(5) Mr. Happel s target bonus for 2017 was $250,000, or 50% of his base salary as of December 31, 2017. In February 2018, the Compensation Committee approved Mr. Happel s bonus in the amount of $241,750, or 96.7% of his target bonus, which was paid in March 2018.

(6) Mr. Moze s target bonus for 2017 was $345,600, or 60% of his base salary as of December 31, 2017. In February 2018, the Compensation Committee approved Mr. Moze s bonus in the amount of $334,195, or 96.7% of his target bonus, which was paid in March 2018.

(7) The RSUs vest in four equal annual installments following the grant date.

(8) 1/4th of the shares subject to the stock option vest one year after the vesting commencement date, which is the same date as the grant date, and the remaining shares vest in 36 equal monthly installments thereafter.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

Employment Agreements. Each of our NEOs has entered into a written employment agreement with us that provides for payment of base salary, target annual cash incentive compensation, eligibility for employee benefit programs and potential severance benefits provided that following Mr. Happel s resignation effective February 1, 2018, we no longer have an employment agreement with Mr. Happel. For further information regarding the base salaries, bonuses and incentive compensation payable to our NEOs and their eligibility for our employee benefit programs, please see our Compensation Discussion and Analysis above. For further information regarding the severance benefits provided under the employment agreements, please see *Potential Payments Upon Termination or Change-in-Control* below.

Table of Contents

Transition and Retention Agreements. Mr. Happel entered into the Transition Agreement with Raptor in October 2016, which we assumed as part of the Raptor acquisition. The Transition Agreement provided for the payment to Mr. Happel of (i) a $128,000 retention bonus subject to his continued employment with us through December 31, 2016, which was paid to Mr. Happel in January 2017, (ii) a target bonus of $156,975 for 2016 subject to his continued employment with us through December 31, 2016, which was paid to Mr. Happel in March 2017, and (iii) a $335,000 retention bonus subject to his continued employment with us from January 1, 2017 through May 15, 2017, which was paid to Mr. Happel in May 2017.

Concurrently with the execution of Mr. Happel s employment agreement with us in October 2016, we also entered into a retention agreement with Mr. Happel that provided for the payment to Mr. Happel of a $750,000 retention bonus subject to his continued employment with us from May 15, 2017 through November 1, 2017, which was paid to Mr. Happel in November 2017.

Equity Awards. We have granted equity awards to our NEOs under our 2005 Stock Plan (2005 Plan), our 2011 Equity Incentive Plan (2011 Plan) and our 2014 Equity Incentive Plan, as amended (2014 Plan). For further information regarding such equity awards, including the vesting schedules, please see the Grants of Plan-Based Awards table and related footnotes above and 2017 Long-Term Incentive Grants in our Compensation Discussion and Analysis above. Additionally, the SEC rules require that the grant date fair value of all PSUs, stock options and RSUs be reported in the Summary Compensation Table for the year that they were granted. As a result, a significant portion of the total 2015 compensation amounts reported in the Summary Compensation Table relate to PSUs, stock options and RSUs granted during 2015 that have not vested and for which the value is therefore uncertain (and which may end up having no value at all).

Option Repricings. We did not engage in any repricings or other modifications to any of our NEOs outstanding equity awards during the year ended December 31, 2017. Under the terms of our 2014 Plan, option repricing is not permitted without prior shareholder approval.

Salary and Bonus Compared to Total Compensation. The ratio of salary and bonus, which includes annual incentive bonus and retention bonus, to total compensation in 2017 (each as set forth in the Summary Compensation Table above) is set forth below for each NEO.

Timothy P. Walbert, 94.0%

Paul W. Hoelscher, 92.5%

Irina P. Konstantinovsky, 10.8%

David A. Happel, 95.9%

Barry J. Moze, 92.7%

48

Table of Contents

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), and Item 402(u) of Regulation S-K, we are providing the following information about the ratio of the annual total compensation of our principal executive officer to the total annual compensation of our median employee. The pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

The purpose of this new disclosure is to provide a measure of the equitability of pay within Horizon Pharma. We believe our compensation philosophy and process yield an equitable result for all of our employees. During fiscal 2017, the principal executive officer of Horizon was our chairman, president and chief executive officer, Mr. Walbert.

For 2017:

The annual total compensation for Mr. Walbert was $2,342,025.

The annual total compensation for our median employee was $181,745.

This results in an estimated pay ratio of 13:1.

This ratio for 2017 was lower than what may be expected in future years because Mr. Walbert was not eligible to receive any new equity awards during 2017 due to our prior commitments related to our 2015 PSU grants. We expect the ratio of Mr. Walbert s annual total compensation to the annual total compensation of our median employee will be higher in future years because Mr. Walbert became eligible for new equity awards starting in 2018.

In accordance with Item 402(u) of Regulation S-K, we identified the median employee by estimating the annual total compensation of each applicable employee, by (i) aggregating (A) base salary as of October 31, 2017 (the median employee determination date), (B) the target bonus for 2017, and (C) the estimated accounting value of any equity awards granted during 2017, and (ii) ranking this annual total compensation measure for our employees from lowest to highest. This calculation was performed for all employees, excluding Mr. Walbert, except as identified below, whether employed on a full-time, part-time or seasonal basis.

For purposes of this disclosure, all Canadian employees, totaling two individuals, were excluded from the employee population pursuant to the so-called de minimis exemption, which permits us to exclude foreign employees, up to 5% of our total employee population, on a whole-country basis. As of October 31, 2017, we had 884 U.S. employees (excluding our CEO) and 91 non-U.S. employees, irrespective of the de minimis exclusion. Applying the de minimis exclusion, the total number of U.S. employees totaled 884, and the number of non-U.S. employees totaled 89.

The pay ratio reported above is a reasonable estimate calculated in a manner consistent with the U.S. Securities and Exchange Commission (SEC) rules and based on our internal records and the methodology described above. Because the SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee s annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices, the pay ratio reported by other companies may not be comparable to the pay ratio for us reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

Table of Contents

Outstanding Equity Awards at December 31, 2017

The following table sets forth certain information regarding outstanding stock options, RSUs and PSUs held by our NEOs on December 31, 2017.

		Option Awards					Stock Awards						
	Award Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)		Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)		Market Value of Stock that Has Not Vested ($)(1)	Number of Units of Stock that are Unearned and Have Not Vested (#)		Marke of Un Stock t Not Ves
P.												
	7/16/2008	83,353			$ 10.43	7/15/2018						
	2/3/2010	104,334			$ 5.20	2/2/2020						
	6/16/2010	107,219			$ 12.94	6/15/2020						
	12/8/2011	196,794			$ 4.96	12/7/2021						
	1/2/2013	138,670			$ 2.40	1/1/2023						
	1/2/2014	218,354	4,646	(2)	$ 7.61	1/1/2024	49,500	(3)	$ 722,700			
	3/23/2015	721,875	328,125	(4)	$ 22.14	3/22/2025	250,000	(3)	$ 3,650,000			
	3/23/2015									420,000	(5)	$ 6,1
	5/6/2015									1,380,000	(5)	$ 20,1
	5/6/2015	1,065,625	584,375	(4)	$ 28.53	5/5/2025						
		2,636,224	917,146				299,500		$ 4,372,700	1,800,000		$ 26,2
r	6/27/2014	78,750	11,250	(6)	$ 15.96	6/26/2024	20,000	(7)	$ 292,000			
	3/23/2015	189,750	86,250	(4)	$ 22.14	3/22/2025	62,000	(3)	$ 905,200			
	3/23/2015									155,333	(5)	$ 2,2
	5/6/2015									466,000	(5)	$ 6,8
		268,500	97,500				82,000		$ 1,197,200	621,333		$ 9,0
inovsky	9/11/2017		131,606	(4)	$ 14.05	9/10/2027	64,056	(3)	$ 935,218			
Happel	10/25/2016	14,779	35,895		$ 18.31	10/24/2026	23,860	(3)	$ 348,356			
Moze	6/16/2010	2,106			$ 12.94	6/15/2020						
	1/10/2014	9,791	209	(2)	$ 8.50	1/9/2024						
	6/6/2014	64,768	7,532	(8)	$ 14.48	6/5/2024	16,075	(9)	$ 234,695			

9/12/2014	14,381	3,319	(4)	$ 11.81	9/11/2024	3,925	(3)	$	57,305				
3/23/2015	118,937	54,063	(4)	$ 22.14	3/22/2025	38,500	(3)	$	562,100				
3/23/2015										124,000	(5)	$	1,8
5/6/2015										372,000	(5)	$	5,4
	209,983	65,123				58,500		$	854,100	496,000		$	7,2

(1) The market value of stock awards that have not vested is based on the closing share price of our ordinary shares of $14.60 per share on December 31, 2017. As of December 31, 2017, no value has been realized by any of the named executive officers with respect to any PSUs. On December 22, 2017, our 20-day volume-weighted average price (VWAP) for our shares failed to meet the required price for vesting and one-third of the outstanding PSU awards expired without vesting on such date. No shares were issued to any participant and no ordinary shares were added back to the pool of shares available for grant under the 2014 Plan. Unless our implied 20-day VWAP on March 22, 2018 is at least $32.70 or on June 22, 2018 is at least $33.86, none of the remaining PSUs will vest and all remaining PSUs would expire unvested in March 2018 and June 2018, as applicable. 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.

(2) 1/48th of the shares vest in equal monthly installments over the four years following the vesting commencement date, which is the grant date.

(3) RSUs vest in four equal annual installments following the grant date.

(4) 1/4th of the shares vest one year after the vesting commencement date, which is the same date as the grant date, and 1/48th of the shares vest monthly thereafter over the next three years.

(5) Each PSU represents a contingent right to receive ordinary shares, based on the Company s level of total shareholder return, as measured on December 22, 2017, March 22, 2018 and June 22, 2018 or based on the level of total shareholder return through any earlier change-in-control. For such purposes, total shareholder return means the percentage change in the price of Horizon Pharma ordinary shares on a compounded annual basis, plus the value of reinvested dividends. The number of shares issued may range from zero (0) shares to the total PSUs granted (i.e., the maximum number of shares issuable).

Table of Contents

(6) 1/4th of the shares vested on June 23, 2015 and the remaining shares vest in 36 equal monthly installments thereafter.

(7) RSUs vest in four equal annual installments following the hire date on June 23, 2014.

(8) 1/4th of the shares vested on May 19, 2015 and the remaining shares vest in 36 equal monthly installments thereafter.

(9) RSUs vest in four equal annual installments following the hire date on May 19, 2014.

The following table sets forth certain information regarding options exercised and stock vested for our NEOs for the fiscal year ended December 31, 2017.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting[1] ($)
Timothy P. Walbert		$	32,175[2]	$ 520,592
			49,500[3]	$ 800,910
			125,000[4]	$ 1,820,000
Paul W. Hoelscher		$	20,000[5]	$ 234,600
			31,000[4]	$ 451,360
Irina P. Konstantinovsky		$		$
David A. Happel		$	7,953[6]	$ 107,604
Barry J. Moze		$	16,075[7]	$ 168,788
			3,925[8]	$ 52,674
			19,250[4]	$ 280,280

(1)

Amount realized upon vesting of stock awards was calculated by multiplying the closing price on the vesting date by the number of shares vested. As of December 31, 2017, no shares acquired on vesting have been sold by any of our NEOs. The Company has withheld from the issuance of shares in settlement of the vesting of the stock awards a number of shares with a value equal to the applicable withholding taxes.

(2) Represents RSUs granted on January 2, 2013, vesting over four annual installments.

(3) Represents RSUs granted on January 2, 2014, vesting over four annual installments.

(4) Represents RSUs granted on March 23, 2015, vesting over four annual installments.

(5) Represents RSUs granted on June 27, 2014, vesting over four annual installments.

(6) Represents RSUs granted on October 25, 2016, vesting over four annual installments.

(7) Represents RSUs granted on June 6, 2014, vesting over four annual installments.

(8) Represents RSUs granted on September 12, 2014, vesting over four annual installments.

None of our NEOs participate in or have account balances in qualified or nonqualified defined benefit plans sponsored by us. The Compensation Committee may elect to adopt qualified or nonqualified defined benefit plans in the future if it determines that doing so is in our best interests.

Our Deferred Compensation Plan became effective on April 1, 2015. Pursuant to the Deferred Compensation Plan, each year participants may elect to defer receipt and taxation of up to 50% of their salary and up to 100% of their incentive cash compensation. During 2017, we made matching contributions with respect to 100% of the first 3% and 50% on the next 2% of deferrals, which is the same general "safe harbor" matching contribution formula that we use for our 401(k) plan, but not restricted by the compensation limits applicable to our 401(k) Plan. Matching contributions generally vest in equal annual installments over a five-year period measured from the participant s original hire date. Participants may select among phantom investment alternatives for the deemed investment of their plan accounts, which generally mirror the investment options

Table of Contents

available for our 401(k) plan. Payments under the Deferred Compensation Plan will be distributed in the form of a lump sum payment or in up to 10 annual installments upon the participant s termination of service or up to 10 annual installments upon a selected specified distribution date or dates made by the Participant at the time of deferral. However, if a participant s service with us terminates prior to the selected distribution date or dates, payments will commence in connection with the termination of service. Payments triggered upon a termination of service will generally commence in January or July of the next calendar year following a 6 month delay that follows the termination of service. In the event of a change in control of Horizon Pharma, all plan balances will generally become immediately payable within 90 days thereafter. In addition, participants may be entitled to receive earlier payments through certain unforeseeable emergency withdrawals. Payments scheduled to be made under the Deferred Compensation Plan may be otherwise delayed or accelerated only upon the occurrence of certain specified events that comply with the requirements of Section 409A of the IRC. No withdrawals or distributions from the Deferred Compensation Plan were taken by our named executive officers during 2017.

We fund the expenses for administering the Deferred Compensation Plan. We established a rabbi trust that holds Deferred Compensation Plan contributions and any credited earnings. The Deferred Compensation Plan is unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974. Accordingly, amounts held in the rabbi trust are unsecured and remain subject to claims of our general creditors in the event of our insolvency in order to avoid current income taxation to the participants.

The following table sets forth certain information regarding the participation of our NEOs in the Deferred Compensation Plan for the fiscal year ended December 31, 2017.

Executive	Executive Contributions(1)	Company Contributions(2)	Aggregate Earnings(3)	Aggregate Balance at December 31, 2017
Timothy P. Walbert	$ 144,056	$ 82,259	$ 81,597	$ 618,122
Paul W. Hoelscher	$ 48,655	$ 32,437	$ 30,014	$ 246,935
Irina P. Konstantinovsky	$	$	$	$
David A. Happel	$ 250,000	$ 20,000	$ 22,822	$ 292,822
Barry J. Moze	$ 52,071	$ 34,714	$ 1,444	$ 210,002

(1) All executive contributions are included in the Salary column of the 2017 Summary Compensation Table.
(2) All Company matching contributions are included in the All Other Compensation column of the 2017 Summary Compensation Table.
(3) The earnings reflected in this column represent deemed investment earnings from voluntary deferrals and Company contributions, as applicable. The Deferred Compensation Plan does not guarantee a return on deferred amounts. No amounts included in this column are reported in the 2017 Summary Compensation Table because the Deferred Compensation Plan does not provide for above-market or preferential earnings.

Involuntary Termination Severance Benefits

As provided under their amended employment agreements (with the exception of Mr. Happel), each of our NEOs other than

Mr. Walbert has severance benefit protection which provide for up to 12 months base salary and COBRA health insurance premiums, 12 months of time-based equity vesting acceleration, plus the amount of any earned but unpaid bonus for a prior completed performance period in the event of a qualifying termination. Mr. Walbert s severance benefit protection provides for up to 24 months base salary and COBRA health insurance premiums, 200% of target annual cash bonus, 18 months of time-based equity vesting acceleration, plus the amount of any earned but unpaid bonus for a prior completed performance period in the event of a qualifying termination.

Additionally, in the event of a qualifying termination within three months prior to or within 18 months following a change-in-control, Mr. Walbert has severance benefit protection of 36 months base salary, 300% of target annual cash bonus and 36 months COBRA health insurance premiums and each of our other NEOs has severance benefit protection of 18 months base salary, 150% of target annual cash bonus and 18 months COBRA health insurance premiums. In addition, time-based vesting equity awards are subject to full acceleration in a change-in-control related qualifying termination.

Severance benefits to our NEOs described above are payable only if there is a qualifying termination without cause or resignation for good reason. Any base salary and COBRA premium severance benefits are payable in installments over the applicable severance benefit period, bonus severance benefits payable in a single lump sum and equity vesting acceleration benefits are immediately effective.

Table of Contents

The following key terms are defined in the amended employment agreements as follows:

Cause is generally defined as gross negligence or willful failure to substantially perform duties and responsibilities to us or willful and deliberate violation of any of our policies; conviction of a felony involving commission of any act of fraud, embezzlement or dishonesty against us or involving moral turpitude; the unauthorized use or disclosure of any of our proprietary information or trade secrets and willful and deliberate breach of the executive s obligations under the employment agreement that cause material injury to us.

Resignation for good reason is generally defined as a material reduction in duties, authority or responsibilities; the relocation of the place of employment by more than 50 miles; or a material reduction of salary or annual target bonus opportunity.

A change-in-control is defined generally as (1) the sale of all or substantially all of our assets; (2) a merger or consolidation in which we are not the surviving entity and in which the holders of our outstanding voting stock immediately prior to such transaction own less than 50% of the voting power of the entity surviving the transaction or, where the surviving entity is a wholly-owned subsidiary of another entity, the surviving entity s parent; (3) a reverse merger in which we are the surviving entity but the ordinary shares outstanding prior to the merger are converted into other property and in which the holders of our voting stock immediately prior to such transaction own less than 50% of the voting power of our stock, or where we are a wholly-owned subsidiary of another entity, of our parent; or (4) an acquisition by any person, entity or group of beneficial ownership of at least 75% of the combined voting power entitled to vote in an election of our directors.

Death and Disability. As provided under their amended employment agreements, in the event of a termination of employment due to death or disability, each NEO is entitled to receive a pro-rata bonus, based on actual performance through the date of termination, and payable in a single lump sum.

Releases and Non-Competition. All severance benefits (other than due to death or complete disability) provided to our NEOs pursuant to their employment agreements are contingent upon (1) the executive s execution of a standard release of claims in our favor and (2) the executive s entering into a non-competition agreement to be effective during the period during which the executive receives severance benefits.

Sections 280G and 4999. Any payment or benefit provided under our NEOs employment agreements or otherwise in connection with a change-in-control may be subject to an excise tax under Section 4999 of the IRC. These payments also may not be eligible for a Company tax deduction pursuant to Section 280G of the IRC. If any of these payments or benefits are subject to the excise tax, they may be reduced to provide the individual with the best after-tax result. Specifically, the individual will receive either a reduced amount so that the excise tax is not triggered, or the individual will receive the full amount of the payments and benefits and then be liable for any excise tax.

The following table sets forth potential payments payable to our NEOs upon a (i) termination of employment without cause or resignation for good reason or (ii) termination of employment without cause or resignation for good reason in connection with a change-in-control. Except as set forth below, the table below reflects amounts payable to our NEOs assuming their employment was terminated on December 31, 2017 and, if applicable, a change-in-control also occurred on such date:

	Upon Termination Without Cause or Resignation For Good Reason - No Change-in-Control					Upon Termination Without Cause or Resignat For Good Reason - Change in Control (1)				
	Cash Severance ($)	Continuation of Medical Benefits ($)	Bonus ($)(2)	Value of Accelerated Vesting ($)(3)	Total ($)	Cash Severance ($)	Continuation of Medical Benefits ($)	Bonus ($)(4)	Value of Accelerated Vesting ($)(3)	
	$ 2,100,000	$ 51,492	$ 3,582,653	$ 4,405,176	$ 10,139,321	$ 6,300,000	$ 77,238	$ 4,790,153	$ 4,405,176	$
	$ 550,000	$ 21,259	$ 319,110	$ 744,600	$ 1,634,969	$ 825,000	$ 31,889	$ 814,110	$ 1,197,200	$
vsky	$ 475,000	$ 9,981	$ 143,948	$ 256,424	$ 885,353	$ 712,500	$ 14,972	$ 500,198	$ 1,007,601	$
ppel	$ 500,000	$ 35,812	$ 241,750	$ 116,114	$ 893,676	$ 750,000	$ 53,718	$ 616,750	$ 348,356	$
ze	$ 576,000	$ 21,180	$ 334,195	$ 584,489	$ 1,515,864	$ 864,000	$ 31,770	$ 852,595	$ 864,264	$

(1) Amounts in these columns assume that termination occurs within 90 days immediately preceding or during the 18 months immediately following a change-in-control.
(2) Amounts in this column include amounts payable for earned but unpaid bonus for the completed 2017 performance period. The amount for Mr. Walbert also includes the multiple of his target bonus pursuant to his employment agreement.
(3) The value of accelerated vesting is equal to the closing share price of $14.60 per share on December 31, 2017, multiplied by the number of shares subject to accelerated vesting, less the stock option exercise price, if applicable.
(4) Amounts in this column indicate amounts payable for earned but unpaid bonus for the completed 2017 performance period and the applicable multiple of target bonus pursuant to the employment agreements.

Table of Contents

NON-EMPLOYEE DIRECTOR COMPENSATION

Our compensation policy for non-employee directors who are not affiliated with any holder of more than 5% of our ordinary shares provides for the annual cash compensation, payable in equal quarterly installments, set forth below:

- $100,000 for a non-executive chairman of the Board or lead independent director;

- $60,000 for all other eligible non-employee directors;

- $30,000 for the chairman of the Audit Committee, $20,000 for the chairman of the Compensation Committee, $15,000 for the chairman of the Nominating and Corporate Governance Committee and $20,000 for the chairman of the Transaction Committee; and

- $15,000 for each member of the Audit Committee other than the chairman, $10,000 for each member of the Compensation Committee other than the chairman, $7,500 for each member of the Nominating and Corporate Governance Committee other than the chairman and $12,500 for each member of the Transaction Committee other than the chairman.

In addition, eligible non-employee directors elected or appointed to the Board will automatically be granted (i) a stock option to purchase ordinary shares with an aggregate Black-Scholes option value of $300,000 and (ii