ALLERGAN INC
Form PRRN14A
August 04, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN

PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant ¨ Filed by a party other than the Registrant x

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14-a6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Allergan, Inc.

(Name of Registrant as Specified In Its Charter)

Pershing Square Capital Management, L.P.

PS Management GP, LLC

PS Fund 1, LLC

William A. Ackman

William F. Doyle

Ben Hakim

Jordan H. Rubin

Roy J. Katzovicz

Valeant Pharmaceuticals International, Inc.

Valeant Pharmaceuticals International

J. Michael Pearson

Howard B. Schiller

Ari S. Kellen

Laurie W. Little

Betsy S. Atkins

Cathleen P. Black

Fredric N. Eshelman

Steven J. Shulman

David A. Wilson

John J. Zillmer

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

*****PRELIMINARY PROXY STATEMENT - SUBJECT TO COMPLETION*****

PROXY STATEMENT

IN CONNECTION WITH A SPECIAL MEETING

OF SHAREHOLDERS OF ALLERGAN, INC.

PROXY STATEMENT

OF

PS FUND 1, LLC

To the Shareholders of Allergan, Inc.:

This proxy statement (this Proxy Statement) and the accompanying WHITE proxy card (WHITE Proxy Card) are being furnished to you as a shareholder of Allergan, Inc., a Delaware corporation, with its principal executive offices at 2525 Dupont Drive, Irvine, CA 92612 (the Company and/or Allergan), by and on behalf of PS Fund 1, LLC, a Delaware limited liability company (PS Fund 1, we, our or us), which is managed by Pershing Square Capital Management, L.P. (Pershing Square), in connection with the solicitation of revocable proxies by PS Fund 1 for use at the special meeting (including any adjournments or postponements thereof and any meeting held in lieu thereof) of shareholders of Allergan for the purposes described below (the Special Meeting), to be held at [ ] on [ ], 2014, at [ ]. Only holders of record as of [ ], 2014 will be entitled to vote in person or by proxy at the Special Meeting.

Pursuant to the Company s Amended and Restated Certificate of Incorporation, effective May 9, 2014 (the Charter), and the Company s Amended and Restated Bylaws, effective May 9, 2014 (the Bylaws), the calling of the Special Meeting required the written request of holders of record of at least 25% of the outstanding shares of common stock of the Company, par value $0.01 per share (Company Common Stock), at the time the request for a Special Meeting was validly submitted (the Requisite Percentage).

The date of this Proxy Statement is [ ], 2014. This Proxy Statement and the accompanying WHITE Proxy Card are first being sent or given to shareholders on or about [ ], 2014.

We are soliciting your proxy for the Special Meeting regarding the proposals (the Proposals) set forth in the section of this Proxy Statement titled Proposals for the Special Meeting.

On April 22, 2014, Valeant Pharmaceuticals International, Inc. (Valeant) first made an offer to the Board of Directors of Allergan (the Board) proposing a business combination of Allergan and Valeant. On May 30, 2014, Valeant publicly announced a revised proposal to merge with Allergan pursuant to which each share of Company Common Stock would be exchanged for $72.00 in cash and 0.83 shares of Valeant common stock (and has indicated it remains willing to add a contingent value right (CVR) relating to sales of Allergan s DARPin® product if Allergan were to

engage in negotiations with Valeant to work out the exact terms of the CVR). Please refer to the section of this Proxy Statement titled Background and Past Contacts for more detailed information.

From April 10, 2014 (the day before Pershing Square began its rapid accumulation program) to the date of this Proxy Statement, the Company s stock price has increased by approximately [ ]%. We believe the market has spoken, and that shareholders see substantial value in Valeant s revised proposal. To date, the Board has refused to engage with Valeant in any way regarding a merger with Valeant.

Therefore, PS Fund 1 is asking the Company s shareholders to vote **FOR** each of the Proposals by using one of the voting methods set forth below.

Voting Methods

Voting by Mail. A WHITE Proxy Card is enclosed for your use. Whether or not you expect to attend the Special Meeting, please sign, date and mail your WHITE Proxy Card promptly in the enclosed postage paid envelope provided.

Voting by Telephone. If you live in the United States, you may vote your proxy toll-free 24 hours a day, 7 days a week up until 11:59 P.M. Eastern Time on [ ], 2014 by calling the toll-free telephone number on the WHITE Proxy Card. Please refer to the voting instructions on the WHITE Proxy Card. If you vote by telephone, please do not return your WHITE Proxy Card by mail.

Voting via the Internet. If you wish to vote via the Internet, you may submit your proxy from any location in the world 24 hours a day, 7 days a week, up until 11:59 P.M. Eastern Time on [ ], 2014 by visiting the website provided on the WHITE Proxy Card. Please refer to the voting instructions on the WHITE Proxy Card. If you vote through the Internet, please do not return your WHITE Proxy Card by mail.

Vote in person by attending the Special Meeting. Written ballots will be distributed to shareholders who wish to vote in person at the Special Meeting. If you hold your shares through a bank, broker or other nominee, you must obtain a legal proxy from such custodian in order to vote in person at the Special Meeting.

If you hold your shares through a bank, broker or other nominee and you do not intend to vote in person at the Special Meeting, only such nominee can vote your shares, and only after receiving specific voting instructions from you. Please contact your bank, broker or nominee and instruct them to vote a WHITE Proxy Card **FOR** each of the Proposals thereon.

If PS Fund 1 receives WHITE Proxy Cards that have no explicit voting instructions, PS Fund 1 intends to vote such proxies **FOR** each of the Proposals thereon.

Pursuant to the WHITE Proxy Cards, we are requesting authority (i) to initiate and vote for the Proposals, (ii) to oppose and vote against any other matters which PS Fund 1 does not know, a reasonable time before [ ], 2014, are to be presented at the Special Meeting, (iii) to adjourn or postpone the Special Meeting for any reason and (iv) to oppose and vote against any proposal to adjourn or postpone the Special Meeting.

If you have any questions, require assistance in voting your WHITE Proxy Card, or need additional copies of this Proxy Statement, please contact our proxy solicitor at:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

U.S. Toll-free: (800) 859-8511

Banks and brokers: (212) 269-5550

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SOLICITATION OF PROXIES FOR THE SPECIAL MEETING. In addition to delivering printed versions of this Proxy Statement and the WHITE Proxy Card to all shareholders by mail, this Proxy Statement and WHITE Proxy Card are also available on the Internet. You have the ability to access and print this Proxy Statement and the WHITE Proxy Card at http://www.advancingallergan.com. As a shareholder of Allergan, you may have received the Company s proxy statement with respect to the Special Meeting (the Company s Proxy Statement) and the accompanying [blue] proxy card. Since only your latest dated proxy card will count,

we urge you not to return the [blue] proxy card or any other proxy card you receive from the Company. Please make certain that the latest dated proxy card you return is the WHITE Proxy Card.

THIS SOLICITATION OF PROXIES IS BEING MADE BY PS FUND 1, AND NOT ON BEHALF OF THE COMPANY OR THE BOARD.

YOUR VOTE IS IMPORTANT TO US, NO MATTER HOW MANY OR HOW FEW SHARES YOU OWN. WE URGE YOU TO VOTE **FOR** THE PROPOSALS BY COMPLETING, SIGNING, DATING AND RETURNING THE ENCLOSED WHITE PROXY CARD. YOU MAY ALSO VOTE BY TELEPHONE USING THE TOLL-FREE NUMBER ON THE WHITE PROXY CARD OR VIA THE INTERNET USING THE WEBSITE ON THE WHITE PROXY CARD.

BACKGROUND AND PAST CONTACTS

On September 10, 2012, J. Michael Pearson, Valeant s Chairman of the Board and Chief Executive Officer, spoke to David Pyott, Allergan s Chairman of the Board, President and Chief Executive Officer, about possibly combining the two companies. Mr. Pyott informed Mr. Pearson that he would discuss the possibility with the Board.

On September 25, 2012, Mr. Pyott called Mr. Pearson and indicated that he had spoken with the Board about a possible business combination with Valeant, and Allergan was not interested in a transaction at that time. As part of its general review of strategic opportunities, Valeant s management continued to review numerous transaction alternatives with various pharmaceutical businesses and assets, including, from time to time, Allergan.

In September of 2013, Pershing Square hired William F. Doyle as a Senior Advisor.

On January 14, 2014, Mr. Doyle, a senior advisor at Pershing Square, spoke with Mr. Pearson, at a health care conference. They discussed Mr. Doyle s work with Pershing Square and it was suggested that they have a subsequent discussion regarding the potential of Valeant and Pershing Square jointly engaging in merger and acquisition transactions. On January 31, 2014, Messrs. Pearson and Doyle had a follow-up meeting in which they exchanged public information about Valeant and Pershing Square. Messrs. Doyle and Pearson did not specifically discuss Allergan at either meeting.

On February 4, 2014, Mr. Pearson and G. Mason Morfit, then a director of Valeant, met with Mr. Doyle and William A. Ackman, the Chief Executive Officer of Pershing Square. They primarily discussed Valeant and Valeant s business model. They also discussed what Pershing Square could do to encourage large public pharmaceutical companies to create more value for their stockholders, including by entering into different types of transactions with Valeant, though the structure that Valeant eventually used in connection with its offer for Allergan was not specifically discussed. Allergan was one of several companies mentioned, but was not discussed in detail.

On or around February 6, 2014, Mr. Ackman and Mr. Pearson had a telephone call in which they discussed, conceptually, a potential transaction structure in which Valeant would identify a target and disclose it confidentially to Pershing Square, after which Pershing Square could decide whether it was interested in working with Valeant. No specific targets were discussed on the telephone call. Around the same time, Mr. Pearson and Mr. Pyott agreed to meet the following weekend to follow up on their September 2012 discussions regarding the possibility of combining the two companies.

On February 7, 2014, Sullivan & Cromwell LLP (Sullivan & Cromwell), Valeant s counsel, sent Pershing Square and Kirkland & Ellis LLP (Kirkland & Ellis), Pershing Square s counsel, a draft confidentiality agreement that did not disclose the identity of Allergan. Between February 7, 2014 and February 9, 2014, representatives of Sullivan & Cromwell and Kirkland & Ellis exchanged drafts of and negotiated the confidentiality agreement.

On February 9, 2014, Valeant and Pershing Square entered into the confidentiality agreement, after which, Mr. Pearson called Mr. Ackman by telephone and informed him of Valeant s interest in a potential transaction with Allergan. Later that day, the board of directors of Valeant (the Valeant Board), met telephonically and discussed, among other things, pursuing the acquisition of Allergan and doing so with Pershing Square.

On February 10, 2014, in connection with Allergan senior management s meetings with analysts, Sanford B. Bernstein & Co. published a report of its discussions with Mr. Pyott, reporting that an acquisition of Allergan by Valeant was not a good fit and shareholders would hesitate to take Valeant paper. That same day, Bank of America Merrill Lynch analyst Gregg Gilbert issued a note stating that Allergan would not be interested in a transaction with Valeant.

On February 11, 2014, Pershing Square formed a new Delaware limited liability company, PS Fund 1, and Pershing Square, L.P., Pershing Square II, L.P., Pershing Square International, Ltd. and Pershing Square Holdings, Ltd (collectively, the Pershing Square Funds), which are investment funds managed by Pershing Square, entered into the original limited liability company agreement for PS Fund 1.

On February 13, 2014, representatives of Valeant and Pershing Square met to discuss a potential transaction involving Allergan. Representatives of Sullivan & Cromwell and Kirkland & Ellis also attended. Later that day, Sullivan & Cromwell sent Kirkland & Ellis a draft of an amended confidentiality agreement. Between February 13, 2014 and February 20, 2014, representatives of Sullivan & Cromwell and Kirkland & Ellis exchanged drafts of and negotiated the amended confidentiality agreement.

As a result of Mr. Pyott s published statements to analysts, on February 14, 2014, the planned meeting between Messrs. Pearson and Pyott was cancelled.

On February 20, 2014, Valeant and Pershing Square entered into the amended confidentiality agreement, dated as of February 9, 2014. That same day, Kirkland & Ellis sent Sullivan & Cromwell a draft letter agreement related to the purchase of equity in Allergan. Between February 20, 2014 and February 25, 2014, representatives of Valeant, Pershing Square and their respective counsel exchanged drafts of and negotiated the letter agreement.

On February 21, 2014, the Valeant Board met in Toronto and discussed a potential transaction involving Allergan. Messrs. Ackman and Doyle attended a portion of the meeting, during which, among other things, Pershing Square s role in a potential transaction was discussed.

On February 25, 2014, Pershing Square and Valeant entered into an agreement (the Letter Agreement) pursuant to which they agreed that a joint venture entity, PS Fund 1, would acquire shares of Company Common Stock and derivative instruments referencing Company Common Stock. Pursuant to the Letter Agreement, the parties thereto agreed, among other things, that:

Valeant would not, while Valeant, Pershing Square and/or PS Fund 1 may be deemed a group, acquire beneficial ownership of Allergan equity, except in a business combination transaction with Allergan or as a result of transactions by Pershing Square, PS Fund 1 or any of their respective affiliates;

PS Fund 1 would dissolve following the earliest to occur of several events, including the consummation of a business combination transaction with Allergan or at such time that Valeant informs Pershing Square or Allergan that it is no longer interested in pursuing a business combination transaction with Allergan;

Income, gain and loss on $75.9 million in value of shares of Company Common Stock purchased by PS Fund 1 would be allocated to Valeant and the remaining net profit realized by PS Fund 1 would be allocated to funds advised by Pershing Square, except that Valeant would have a right to 15% of the net profits otherwise allocable to funds advised by Pershing Square if, before dissolution and at a time when a Valeant business combination proposal for Allergan is outstanding, a proposal for a third party business combination with Allergan is outstanding or made;

Valeant would consult with Pershing Square before making any material decisions relating to a business combination with Allergan;

Pershing Square would direct the management of PS Fund 1 (including the manner and timing of purchases and sales of Allergan equity) and would generally decide how PS Fund 1 votes any securities it owns, except that until the Termination Time (as defined in the Letter Agreement) PS Fund 1 would vote all of its shares of Company Common Stock in favor of a proposal by Valeant to acquire Allergan and other proposals supported by Valeant and against proposals reasonably likely to impair the ability of Valeant to consummate a business combination with Allergan, and, subject to limited exceptions, would not sell or otherwise reduce its economic ownership in Allergan equity;

At the election of Valeant, immediately prior to consummation of a Valeant business combination with Allergan, Pershing Square would purchase, for $400 million, Valeant common shares at a per share price reflecting a 15% discount to the then current market price;

If Valeant and Allergan consummate a business combination transaction that permits shareholders of Allergan to elect to receive Valeant common shares, Pershing Square would cause PS Fund 1 to elect to receive Valeant common shares for all shares of Company Common Stock over which it controls that election; and

If Valeant and Allergan consummate a business combination transaction, Pershing Square would, on the date of consummation, hold Valeant common shares with a then current value of at least $1.5 billion and, for a period of at least one year after that consummation, it will not sell Valeant common shares unless after giving effect to the sale it continues to own at least $1.5 billion in value of Valeant common shares (and during that one year period it would not hedge its investment in that minimum number of shares).

Also on February 25, 2014, PS Fund 1 began acquiring securities of Allergan. Following the acquisition by PS Fund 1 of 597,431 shares of Company Common Stock, Valeant contributed $75.9 million to PS Fund 1 in respect of such shares. The Pershing Square Funds thereafter contributed to PS Fund 1 the remainder of the funds needed to fund the acquisition of securities of, and derivatives referencing, the Company. Between February 25 and April 21, 2014, representatives of Valeant and Pershing Square and their counsel participated in at least weekly phone calls to update Valeant on PS Fund 1 s trading.

On February 26, 2014, Sullivan & Cromwell sent Pershing Square and Kirkland & Ellis a draft of an amended and restated limited liability company agreement for PS Fund 1, including a Valeant entity as a member, and generally reflecting the terms of the Letter Agreement. Between February 25, 2014 and April 3, 2014, representatives of Sullivan & Cromwell and Kirkland & Ellis exchanged drafts of and negotiated the amended and restated limited liability company agreement of PS Fund 1.

On March 11, 2014 and March 12, 2014, the Valeant Board met and discussed various matters, including a potential transaction involving Allergan.

On March 17, 2014, representatives of Valeant and Pershing Square met to discuss the terms of a potential transaction with Allergan and to continue Pershing Square s due diligence of Valeant s business which also involved visits to certain Valeant operations and other oral and documentary due diligence.

On April 1, 2014, representatives of Valeant and Pershing Square met again to discuss Valeant s and Allergan s operations and the process for accomplishing the proposed transaction.

On April 3, 2014, Valeant Pharmaceuticals International (Valeant USA), Pershing Square and each of the Pershing Square Funds entered into the amended and restated limited liability company agreement of PS Fund 1, dated as of April 3, 2014, which generally reflected the terms of the Letter Agreement.

On April 7, 2014, the Valeant Board held a meeting in Toronto and discussed, among other things, pursuing an acquisition of Allergan and doing so with Pershing Square.

On April 8, 2014, PS Fund 1 reached beneficial ownership of 4.99% of Allergan s outstanding stock and, as required by the Letter Agreement, stopped purchasing equity in Allergan pending Valeant approval to cross the 5% threshold. On April 10, 2014, Valeant provided approval for PS Fund 1 to purchase equity derivatives referencing Allergan that

would result in PS Fund 1 beneficially owning more than 5% of Allergan s outstanding stock.

On April 11, 2014, PS Fund 1 crossed the 5% Schedule 13D beneficial ownership threshold and began a rapid accumulation program. By April 21, 2014, PS Fund 1 had acquired beneficial ownership of approximately 9.7% of the outstanding shares of Company Common Stock.

Between April 13, 2014 and April 21, 2014, representatives of Valeant, Pershing Square and their advisors met and discussed the terms of Valeant s initial proposal and their investor presentations in support of the proposal.

On April 21, 2014, Pershing Square and Valeant each filed a Schedule 13D disclosing their beneficial ownership of shares in Company Common Stock. Pershing Square s Schedule 13D disclosed that Pershing Square had beneficially acquired for the account of PS Fund 1 an aggregate of 28,878,538 shares of Company Common Stock for total consideration of $3.217 billion, which had been contributed by the Pershing Square Funds and by Valeant USA pursuant to the Letter Agreement. That same evening, the Valeant Board met telephonically to determine whether to proceed with a proposal to acquire Allergan, and after deciding to do so, the appropriate terms of Valeant s proposal. The Valeant Board approved the terms of the proposal and authorized Valeant to deliver a merger proposal letter to Allergan the next morning.

On April 22, 2014, Valeant made a public proposal to Mr. Pyott and the Board to acquire Allergan for a price comprised of $48.30 in cash and 0.83 Valeant common shares for each share of Company Common Stock based on the fully diluted number of shares of Company Common Stock outstanding. Pursuant to the terms of the proposal, Allergan shareholders would receive a substantial premium over Allergan s unaffected stock price of $116.63 on April 10, 2014 (the day before Pershing Square began its rapid accumulation program) and would own approximately 43% of the combined company.

Later that day, Valeant and Pershing Square held an investor conference in which representatives of Valeant and Pershing Square delivered presentations describing the benefits of Valeant s proposal. Beginning on April 22, 2014, representatives of Valeant met with Allergan stockholders and Valeant shareholders to discuss Valeant s proposal.

On April 22, 2014, Allergan issued a press release in which it confirmed receipt of the proposal from Valeant and stated that the Board, in consultation with its financial and legal advisors, would carefully review and consider the proposal and pursue the course of action that it believes is in the best interests of the Company s shareholders. The Company also adopted a shareholder rights plan (commonly referred to as a Poison Pill), effective April 22, 2014.

On April 23, 2014, Mr. Ackman emailed Matthew Maletta, Allergan s Associate General Counsel and Secretary, to request an opportunity to speak with Michael R. Gallagher, the lead independent director of the Board, and Mr. Pearson spoke briefly with Mr. Pyott by telephone.

Mr. Maletta arranged a telephone call between Mr. Ackman and Mr. Gallagher, but later noted that Mr. Pyott and Jim Hindman, SVP of Investor Relations for Allergan, would be joining Mr. Gallagher on the call. While Mr. Ackman welcomed the opportunity to have a discussion with Mr. Pyott on April 24, 2014, Mr. Ackman s purpose for the call was to speak with Mr. Gallagher, without management present, as the lead director who Mr. Ackman expected, based on Allergan s proxy disclosures, to be the Board s independent representative for shareholders in considering the Valeant proposal.

During the April 24, 2014 call, Mr. Ackman requested the opportunity to speak with Mr. Gallagher in executive session, which Mr. Gallagher rejected. Mr. Ackman then asked for Mr. Gallagher s contact information so Mr. Ackman could contact Mr. Gallagher directly in the future. Mr. Gallagher was unwilling to provide Mr. Ackman with his contact information because Mr. Gallagher explained that he did not believe it was appropriate to speak to Mr. Ackman alone. Mr. Ackman then offered to speak with Mr. Gallagher with the Board s counsel present on the call, and Mr. Gallagher also refused this request.

On May 1, 2014, early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, was granted with respect to the acquisition by PS Fund 1 of certain shares of Company Common Stock. Later that day, PS Fund 1 exercised its American-style call options to purchase Company Common Stock and also paid the applicable forward purchase price under the forward purchase contracts to purchase Company Common

Stock. As a result, PS Fund 1 became Allergan s largest shareholder. In total, Pershing Square contributed approximately $3.624 billion to PS Fund 1 to fund the acquisition of Company Common Stock through the purchase and ultimate settlement of derivative instruments.

On May 5, 2014, in response to news reports stating that the Company had begun to approach alternative business combination partners, Mr. Ackman sent a letter to Mr. Gallagher, encouraging the Board to begin discussions with Valeant regarding its proposal. Among other things, Mr. Ackman s letter highlighted Pershing Square s belief that (i) the strength of Allergan s negotiating position with Valeant comes, in part, from the potential that Allergan may negotiate a more valuable transaction with a large global pharmaceutical company, (ii) the list of global pharmaceutical companies with the financial capacity to buy Allergan is limited, and even more limited when factors such as strategic fit and antitrust risk are considered, and (iii) unless Allergan were to identify and engage with a large global pharmaceutical company for a transaction in the very near future, the odds of a transaction with such a counterparty are likely to decrease over time, the market and Valeant will likely learn of the lack of interest from alternative companies, and Allergan s negotiating leverage with Valeant will decline. Indeed, in the days that followed such letter, news outlets reported that several global pharmaceutical companies, including Sanofi, Johnson & Johnson and Shire, had been contacted by Allergan and had declined to engage in a business combination transaction.

On May 8, 2014, Valeant reported its First Quarter 2014 Financial Results. On its earnings call with analysts, Howard B. Schiller, Valeant s Executive Vice President and Chief Financial Officer, discussed Valeant s meetings with Allergan stockholders and Valeant shareholders. Mr. Schiller announced that, while Valeant was waiting for a response to its proposal from the Board, Valeant and Pershing Square would commence a referendum to determine whether Allergan stockholders are supportive of a transaction with Valeant, although the referendum proposal was ultimately commenced only by Pershing Square.

On May 12, 2014, Mr. Pyott sent a letter to Mr. Pearson stating that the Board had rejected Valeant s proposal.

Later on May 12, 2014, Mr. Ackman sent a letter (the 220 Request) to Mr. Maletta, pursuant to Section 220 of the Delaware General Corporation Law (the DGCL) requesting a complete record or list of the holders of Company Common Stock.

On May 13, 2014, Valeant issued a public letter to Allergan stockholders in response to Allergan s rejection of the proposal. Valeant announced that it would hold a webcast on May 28, 2014 to discuss why it believed that its proposal offered substantially superior value to Allergan s standalone strategy. Valeant also announced that, based on feedback from Allergan s stockholders, Valeant planned to improve its proposal during the May 28 webcast in order to demonstrate its commitment to complete the transaction.

Also on May 13, 2014, Pershing Square filed a preliminary proxy statement with the U.S. Securities and Exchange Commission (the SEC) announcing a meeting of Allergan stockholders in order to conduct a stockholder referendum in which stockholders would be given the opportunity to vote on a non-binding resolution (with the same terms as Proposal 7 described in this Proxy Statement) to request that the Board promptly engage in good faith discussions with Valeant regarding Valeant s proposal.

Also on May 13, 2014, Mr. Ackman spoke briefly by telephone with Mr. Pyott. Mr. Pyott only afforded 15 minutes for the call despite Mr. Ackman s understanding that Mr. Pyott had spent considerably more time with other Allergan shareholders and despite the fact that Pershing Square is Allergan s largest shareholder. During the call, Mr. Ackman asked several questions concerning Allergan s rejection of the Valeant proposal, and why the Board did not meet with Valeant before doing so. Mr. Pyott would not answer these questions, but simply told Mr. Ackman that the Valeant proposal substantially undervalued Allergan. At the end of the call, Mr. Ackman again requested the opportunity to meet with Allergan s independent directors. Mr. Pyott said that he was the only member of the Board that was authorized to speak with shareholders and rejected Mr. Ackman s request to meet with the full Board.

On May 19, 2014, Mr. Ackman sent a letter to Mr. Gallagher, the designated point of contact for corporate governance issues relating to Allergan. Mr. Ackman stated that, because Mr. Pyott stood to lose his leadership position if Valeant s proposal were consummated, Mr. Pyott would be unable to engage in unconflicted discussions with Valeant and

Pershing Square regarding that proposal. Mr. Ackman also expressed his displeasure that Allergan had rejected Valeant s proposal without conducting any private due diligence.

Later on May 19, 2014, Mr. Gallagher sent a letter to Mr. Ackman in which he confirmed receipt of Mr. Ackman s prior letter and stated his disagreement with Mr. Ackman s assertion regarding Mr. Pyott s disabling conflict of interest in respect of Valeant s proposal.

Also on May 19, 2014, representatives of Latham & Watkins LLP (Latham), on behalf of Allergan, sent a letter to representatives of Kirkland & Ellis, in response to the 220 Request, in which Latham stated that Allergan would make available to Pershing Square and certain of its affiliates such information set forth in the 220 Request that was currently available to Allergan.

On May 20, 2014, Valeant held its annual stockholder meeting. After the official business of the meeting concluded, Mr. Pearson made a presentation to Valeant shareholders during which he addressed, among other things, Valeant s proposal and Valeant s plans for its May 28 webcast. On May 20, 2014 and May 21, 2014, the Valeant Board met and discussed various matters, including the Allergan transaction.

On May 21, 2014, Mr. Ackman sent a letter to Mr. Gallagher confirming receipt of Mr. Gallagher s May 19 letter and stating that Pershing Square was encouraged to hear that the Board had an open mind and would show a high degree of professionalism in its review of Valeant s proposal, but that no effort had been made by the Board to reach out to Pershing Square or sit down with Valeant to discuss its proposal. Furthermore, Mr. Ackman noted Allergan s negative characterization of Valeant s proposal despite the immediate and long-term value that Valeant s proposal represented for Allergan s shareholders.

Later on May 21, 2014, Mr. Gallagher sent a letter to Mr. Ackman confirming receipt of Mr. Ackman s prior letter and stating that the Board would carefully review any revised offer announced by Valeant.

On May 27, 2014, Allergan filed a presentation with the SEC in which it criticized Valeant s business model and management team despite the fact that Allergan had failed to conduct any private due diligence on Valeant.

Later on May 27, 2014, representatives of Kirkland & Ellis sent a letter to representatives of Latham requesting that Latham produce those documents set forth in the 220 Request which were currently available to Allergan and to provide a list of those documents which Allergan would not be able to produce.

On May 28, 2014, executives of Valeant held an investor presentation in New York City during which Valeant publicly announced an improved proposal and Valeant s willingness to sit down with the Board and Allergan management to engage in meaningful discussions regarding that proposal. Representatives of Valeant also presented on Valeant s business model and refuted Allergan s claims from its May 27 press release and presentation.

Also on May 28, 2014, Mr. Pearson sent a letter to Mr. Pyott outlining the improved proposal, which increased the cash component of Valeant s proposal by $10.00 per share of Company Common Stock to $58.30, and included a CVR tied to sales of Allergan s DARPin® representing an additional $25.00 of value per share of Company Common Stock. In addition, Valeant committed to invest up to $400 million to develop DARPin® and pay to Allergan shareholders 40% of the net sales of DARPin® after recovery of Valeant shareholders investment in DARPin® development expenses.

On May 28, 2014, Allergan confirmed receipt of Valeant s revised proposal. Allergan stated that the Board would carefully review and consider the revised proposal and pursue the course of action that the Board believes is in the best interests of Allergan and all of its stockholders. However, Allergan s May 27 press release and presentation suggested that Allergan would not be willing to negotiate with Valeant.

On May 29, 2014, at the Sanford C. Bernstein Strategic Decisions Conference in New York City, numerous large Allergan shareholders expressed to Mr. Ackman their support of a merger between Allergan and Valeant. These

investors suggested that, if Valeant raised its offer to $180 in value per share of Company Common Stock based on Valeant s current trading price, they would be supportive of a transaction.

On the morning of May 30, 2014, Mr. Ackman spoke by telephone with Mr. Pearson and conveyed to Mr. Pearson the substance of his conversations with other Allergan shareholders from the day before.

Mr. Ackman indicated that, if Valeant would raise its bid for Allergan so that its value (based on then current prices) approximated $180 per share of Company Common Stock, Pershing Square would accept a fixed exchange ratio of 1.22659 based on Allergan and Valeant closing prices on May 29, 2014. After considering Pershing Square s proposal, Mr. Pearson contacted Mr. Ackman and said that he would recommend to the Valeant Board that Valeant raise its offer for Allergan on the terms discussed with Mr. Ackman, which the Valeant Board approved at a telephone meeting later that day.

Later in the afternoon on May 30, 2014, Valeant announced that it was making a revised proposal for Allergan under which each Allergan share would be exchanged for $72.00 in cash and 0.83 Valeant common shares, based on the fully diluted number of Allergan shares outstanding. The revised proposal also referenced Valeant s continued willingness to include the CVR if Allergan were to engage in negotiations with Valeant to work out the exact terms. Under the revised proposal, Allergan stockholders would continue to be able to elect cash and/or Valeant stock, subject to proration. Pershing Square also separately agreed to exchange its Allergan shares for Valeant shares at a 1.22659 exchange ratio, based on closing stock prices of Allergan and Valeant on May 29, 2014, and receive no cash consideration.

Also on May 30, 2014, Mr. Pearson sent a letter to Mr. Pyott outlining the revised proposal to raise its offer for Allergan.

Allergan confirmed the receipt of Valeant s revised offer on May 30, 2014. Allergan stated that the Board would carefully review and consider the revised proposal and pursue the course of action that the Board believes is in the best interests of Allergan and all of its stockholders and referenced its position set forth in its May 27 presentation. Allergan s May 27 press release and presentation indicated that Allergan would likely not be willing to negotiate with Valeant.

On June 2, 2014, Valeant held an investor meeting and webcast to discuss its revised offer and announce its intention to commence an exchange offer on the terms of its revised offer. On the same day, Pershing Square filed a preliminary solicitation statement in respect of the Proposals. Pershing Square also indicated that it would no longer pursue its previously announced stockholder referendum in light of its plans to call a special meeting and in response to feedback Pershing Square received from other Allergan shareholders who urged Pershing Square to focus on calling a special meeting due to the more formal nature of the Special Meeting and the fact that certain proposals to be voted on at the Special Meeting would be binding on the Company.

On June 6, 2014, Pershing Square sent a letter (the June 6 Letter) to Arnold A. Pinkston, Executive Vice President, General Counsel and Assistant Secretary of Allergan, in which it asked Allergan to confirm, among other things, that actions taken in support of the PS Fund 1 solicitation and any subsequent application to the Delaware Court of Chancery that might be filed seeking an order requiring Allergan to hold a meeting for the election of directors would not result in Pershing Square being deemed an Acquiring Person under Allergan s Poison Pill.

On June 10, 2014, Allergan announced that Mr. Pyott had sent a letter to Mr. Pearson, stating that the Board had rejected Valeant s proposal.

On June 11, 2014, Pershing Square received a letter from Allergan s counsel in which it declined to provide the confirmation requested in the June 6 Letter, other than to note that the mere solicitation and receipt of one or more revocable proxies by Pershing Square from other Allergan stockholders for the purpose of requesting a special meeting would not in and of itself result in Pershing Square being deemed an Acquiring Person under Allergan s Poison Pill.

On June 12, 2014, PS Fund 1 commenced an action in the Delaware Court of Chancery seeking declaratory and other equitable relief, including a declaration that (i) the actions by PS Fund 1 and other Allergan stockholders solely for the

purpose of exercising the right to call a special meeting in compliance with the requirements of the Bylaws will not trigger Allergan s Poison Pill, or alternatively (ii) the relevant provisions of Allergan s Poison Pill are invalid as a matter of law because they are inconsistent with the right to call a special meeting that is granted to stockholders in the Charter (the Poison Pill Lawsuit). On the same day, PS Fund 1 filed a motion seeking to expedite the resolution of the litigation. On June 19, 2014, the Delaware Court of Chancery granted the motion to expedite and set a hearing date for July 7, 2014.

On June 18, 2014, Valeant commenced an exchange offer (the Exchange Offer) pursuant to which Valeant is offering to exchange, for each share of Company Common Stock, at the election of the applicable Allergan shareholder:

- $72.00 in cash and 0.83 common shares of Valeant (the Standard Election Consideration);
- an amount in cash equal to the implied value of the Standard Election Consideration (based on the average of the closing prices of common shares of Valeant as quoted on the New York Stock Exchange (the NYSE) on each of the five NYSE trading days ending on the 10th business day preceding the date of expiration of the exchange offer); or
- a number of Valeant common shares having a value equal to the implied value of the Standard Election Consideration (based on the average of the closing prices of Valeant common shares as quoted on the NYSE on each of the five NYSE trading days ending on the 10th business day preceding the date of expiration of the exchange offer),

subject in each case to the election and proration procedures described in the offer to exchange and in the related letter of election and transmittal.

On June 23, 2014, Allergan filed a Schedule 14D-9 with the SEC in which it recommended that Allergan shareholders not tender their shares of Company Common Stock in the Exchange Offer.

On June 24, 2014, Allergan issued a press release stating that its board of directors rejected Valeant s offer.

On June 24, 2014, Valeant filed a proxy statement on Schedule 14A for the calling of a special meeting of Valeant shareholders to approve the issuance of Valeant common shares in connection with an acquisition of Allergan.

On June 27, 2014, Pershing Square issued a press release announcing that it had entered into a settlement with Allergan resolving the Poison Pill Lawsuit and confirming that Pershing Square s actions in connection with the solicitation and receipt of revocable proxies to call a Special Meeting does not trigger Allergan s Poison Pill. The court order effecting the settlement was signed on June 28, 2014 and filed with the SEC by Pershing Square on June 30, 2014.

On July 7, 2014, Pershing Square first announced its slate of qualified, independent nominees for the Board and identified the sitting Allergan directors that it proposes to remove at the Special Meeting. The biographies of the nominees are set forth in the section of this Proxy Statement titled Information Regarding the Nominees.

On July 11, 2014, PS Fund 1 filed definitive solicitation materials with the SEC to solicit support for the calling of the Special Meeting.

On July 16, 2014, Pershing Square sent an open letter to the Board, criticizing the incumbent directors for their unwillingness to engage in a dialogue with Valeant. The July 16 letter also set forth Pershing Square s belief that the Company s attacks on the value of Valeant s currency were unsubstantiated and that there existed a disconnect between Mr. Pyott criticizing Valeant s offer as inadequate while having recently sold shares of Company Common Stock at prices well below that of Valeant s offer.

On July 17, 2014, Pershing Square hosted a webcast in which it highlighted some of its beliefs regarding governance failings of Allergan, explained their doubts that Allergan could create superior shareholder value as a stand-alone

entity and shared their views on the benefits of an Allergan-Valeant combination.

On August 1, 2014, Allergan filed a lawsuit in the United States District Court for the Central District of California alleging that Valeant, Pershing Square and Mr. Ackman violated various federal securities laws.

On the same day, Valeant and Pershing Square issued a joint press release in which they responded to the lawsuit, giving their firmly held view that the claims are baseless and Allergan s true purpose in bringing the litigation is to attempt to interfere with shareholders efforts to call a special meeting, and expressing confidence that this attempt to delay or avoid the special meeting will not succeed.

PROPOSALS FOR THE SPECIAL MEETING

PS Fund 1 is soliciting your proxy for the Special Meeting in support of the following Proposals:

***Proposal 1*: RESOLVED, that the following six members of the current Board, Deborah Dunsire, M.D., Michael R. Gallagher, Trevor M. Jones, Ph.D., Louis J. Lavigne, Jr., Russell T. Ray and Henri A. Termeer, as well as any other person or persons elected or appointed to the Board without shareholder approval after the Company s 2014 annual meeting and up to and including the date of the Special Meeting (other than any Group Nominee set forth herein), be and hereby are removed from office as directors of the Company.**

Article 7 of the Charter, along with Section 141(k) of the DGCL, provides that any director or the entire Board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of the Company s directors.

If Proposal 1 passes, only three directors will remain on the Board. We are seeking to remove Messrs. Deborah Dunsire, M.D., Michael R. Gallagher, Trevor M. Jones, Ph.D., Louis J. Lavigne, Jr., Russell T. Ray and Henri A. Termeer because we believe that they have not acted in the best interests of shareholders with respect to Valeant s proposal to acquire the Company as evidenced by the Board s failure to engage in good faith discussions with Valeant regarding its proposal to merge with Allergan, its adoption of a poison pill in the face of such proposal and its designation of Mr. Pyott as the only member of the Board authorized to speak with shareholders.

We believe that the incumbent Board is disserving you. On April 22, 2014, Valeant first made an offer to the Board proposing a business combination of Allergan and Valeant. On May 30, 2014, Valeant publicly announced a revised proposal to merge with Allergan pursuant to which each share of Company Common Stock would be exchanged for $72.00 in cash and 0.83 shares of Valeant common stock (and has indicated it remains willing to add a CVR relating to sales of Allergan s DARPin® product if Allergan were to engage in negotiations with Valeant to work out the exact terms of the CVR). From April 10, 2014 (the day before Pershing Square began its rapid accumulation program) to the date of this Proxy Statement, the Company s stock price has increased by approximately [ ]%. Despite this, the Board has stubbornly refused to engage in discussions with Valeant regarding its proposal. In addition, Mr. Gallagher, Allergan s lead independent director (whose re-election at Allergan s 2014 annual meeting was recommended against by Institutional Shareholder Services (ISS)) has rejected Pershing Square s requests to discuss Valeant s proposal without management present. At the present time, Valeant s exchange offer cannot be consummated until the Board removes or renders inapplicable certain obstacles to the consummation of the exchange offer, such as the poison pill, which the Board could unilaterally eliminate. To date, ISS has not issued a recommendation on this Proposal 1 with respect to the removal of Allergan directors.

We have, in accordance with SEC requirements, provided shareholders with a way to vote for removal of less than all of the directors listed in the foregoing resolution by checking the FOR REMOVAL EXCEPT box on the WHITE Proxy Card and writing below that box the name(s) of the director(s) that the shareholder does not wish to remove.

A proxy marked WITHHOLD AUTHORITY for the removal of all of the directors or FOR REMOVAL EXCEPT with respect to any specific director will not be considered to have been voted for or against the removal of any such director.

*We strongly urge you to vote **FOR** Proposal 1 by signing, dating and returning the enclosed WHITE Proxy Card in the enclosed postage paid envelope. You may also vote by telephone using the toll-free number on the WHITE Proxy Card or over the Internet using the Internet address on the WHITE Proxy Card.*

***Proposal 2*: RESOLVED, that the shareholders of Allergan hereby request that the Board elect or appoint the following individuals to serve as directors of the Company, regardless of whether Proposal 1 is passed: Betsy S. Atkins, Cathleen P. Black, Fredric N. Eshelman, Ph.D., Steven J. Shulman, David A. Wilson and John J. Zillmer (individually a Group Nominee and collectively,**

the Group Nominees); provided, however, that if at any time prior to the date of the Special Meeting one or more Group Nominees are no longer willing or, as a result of death or incapacity, able to serve as directors of the Company and a majority of the then-remaining Group Nominees select replacements, those replacements (rather than the individuals they replaced), along with the Group Nominees who have not been replaced, shall then be considered the Group Nominees for all purposes.

Pursuant to Article II, Section 6 of the Bylaws, such a proposal requesting that the Board elect or appoint such individuals as directors requires the vote of a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at such Special Meeting on such matter, a quorum (which is a majority in voting interest of the shares of the Company) being present.

Each Group Nominee named in this Proposal 2 has consented to be named in this Proxy Statement and to serve as a director of the Company, if elected. If the Group Nominees are elected, they intend to discharge their duties as directors of the Company consistent with all applicable legal requirements, including the general fiduciary obligations imposed upon corporate directors. Each of the Group Nominees is a highly experienced, independent member of the business community. We believe that the Group Nominees will act in your and Allergan s best interests. Although the Group Nominees have not made any commitment to us if elected other than that they will serve as a director and exercise their independent judgment in accordance with their fiduciary duties in all matters before the Board, we believe that the Group Nominees, if elected, are more likely than the incumbent Board, due to their independence from Allergan management, Valeant and Pershing Square (determined under the standards set forth in the New York Stock Exchange Listed Company Manual with respect to each of Allergan, Valeant and Pershing Square, as if, in the case of Valeant and Pershing Square, such standards related to Valeant and Pershing Square rather than Allergan). A vote for the Group Nominees is your message as the owners of Allergan that you are in favor of pursuing a possible acquisition of Allergan by Valeant in order to maximize the value of Allergan. The election of the Group Nominees to the Board will not preclude their consideration of any competing bids or proposals for the acquisition of Allergan.

If elected, each Group Nominee named in this Proposal 2 would serve as a director until the Company s annual meeting in 2015. This Proposal 2 is nonbinding in nature and thus the Board will be under no legal obligation to take any action with respect to the shareholders request to appoint new directors (which action is necessary to effect such request), no matter how many votes are cast in favor of this Proposal 2. Because shareholders have the right to elect directors, we believe that, upon removal of directors, the shareholders and not the remaining directors should be able to select replacements. Voting for Proposal 2 will send a message to the remaining directors as to the appropriate representatives of shareholders on the Board.

We have, in accordance with SEC requirements, provided shareholders with a way to vote for inclusion of less than all of the Group Nominees in the request contemplated by the foregoing resolution by checking the FOR ALL EXCEPT box on the WHITE Proxy Card and writing below that box the name(s) of the Group Nominee(s) that the shareholder does not wish to request the Board to elect or appoint.

A proxy marked WITHHOLD AUTHORITY with respect to all Group Nominees or FOR ALL EXCEPT with respect to any specific Group Nominee will not be considered to have been voted for or against the request that the Board elect or appoint such Group Nominee.

In the event that Proposal 1 passes and the above-named directors are removed from the Board creating six vacancies, but Proposal 2 does not pass or Proposal 2 passes but the Board refuses to implement the shareholders wishes and does not elect or appoint the Group Nominees, then pursuant to Article III, Section 5 of the Bylaws, Article 8 of the Charter and Section 223 of the DGCL, such vacancies may be filled by a majority vote of the then-remaining directors, even though less than a quorum.

In the event that, at the time of filling any board vacancy, the directors then in office constitute less than a majority of the whole Board and those directors do not fill the vacancies with the Group Nominees, we intend to exercise our rights pursuant to Section 223(c) of the DGCL which provides that the Delaware Court of Chancery may summarily order an election to be held to fill any such vacancies or to replace the directors chosen by the directors then in office. For additional information on our rights under Section 223(c) of the DGCL, see the section of this Proxy Statement titled Information Regarding the Nominees.

We strongly urge you to vote ***FOR*** *Proposal 2 by signing, dating and returning the enclosed WHITE Proxy Card in the enclosed postage paid envelope. You may also vote by telephone using the toll-free number on the WHITE Proxy Card or over the Internet using the Internet address on the WHITE Proxy Card.*

***Proposal 3*: RESOLVED, that Article II, Section 3 of the Bylaws be, and hereby is, amended to read as set forth in Section 3(A) of Exhibit E to the Solicitation Statement filed by PS Fund 1, LLC (PS Fund 1) on July 11, 2014 (the Solicitation Statement), in order to provide simplified mechanics for calling and determining the place, date and hour of any special meeting called at the request of the Company s shareholders.**

Pursuant to Article II, Section 6 of the Bylaws, the amendment of the Bylaws requires the vote of a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at the Special Meeting on such matter, a quorum (which is a majority in voting interest of the shares of the Company) being present.

In order to simplify the mechanics for calling a special meeting, we are proposing amendments to the Bylaws that would eliminate certain procedural and informational requirements for calling a special meeting which are set forth in the language marked as struck out in Article II, Section 3 of Exhibit E to the Solicitation Statement (and reproduced here as Exhibit A to this Proxy Statement) that were originally adopted at the time of the Company s 2013 annual meeting of shareholders. These requirements were summarized at the time of their adoption, in the Company s Proxy Statement on Schedule 14A, filed with the SEC on March 8, 2013, as follows:

no business may be conducted at the special meeting except as set forth in the Company s notice of meeting; no stockholder special meeting request may be made during the period commencing 90 days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the date of the final adjournment of the next annual meeting; a special meeting request cannot cover business substantially similar to what was covered at an annual or special meeting held within one year, subject to certain exceptions; a special meeting will not be held if similar business is to be covered at an annual or special meeting called by the Board but not yet held; and the requesting stockholder s notice must provide certain information regarding the business proposed to be conducted, and as to the stockholder giving notice and any person or entity acting in concert with the stockholder giving notice.

In the event that Proposal 3 passes, the Bylaw provisions quoted immediately above would be eliminated. We believe the elimination of these Bylaw provisions is an important step in improving the corporate governance of Allergan by streamlining the procedures by which shareholders may exercise their right to call a special meeting. We believe that the procedure requiring that written requests for a special meeting be made by the actual holders of record of 25% of the outstanding shares of Company Common Stock (as opposed to beneficial owners) is highly unusual. In addition, the time and cost burdens associated with collecting the level of information required to be provided (which is largely irrelevant to any legitimate concern Allergan may have) serves to deter participation by all but the largest stockholders as they will be the stockholders which may most easily comply given their existing legal departments and other resources. Those burdensome procedural and informational requirements include the obligation to provide extensive disclosure of each Proposing Person (as defined in the Bylaws) and can be difficult to interpret. Furthermore, requesting shareholders are required to make representations, including that they intend to hold their shares through the date of the special meeting (failing which their requests are automatically revoked to the extent of any sale), and to update and supplement their information following submission of the written request. We believe that the cumulative effect of these Bylaw provisions is to make it substantially more difficult for shareholders to exercise the right to call a special meeting purportedly granted in the Company s Charter and Bylaws.

*We strongly urge you to vote **FOR** Proposal 3 by signing, dating and returning the enclosed WHITE Proxy Card in the enclosed postage paid envelope. You may also vote by telephone using the toll-free number on the WHITE Proxy Card or over the Internet using the Internet address on the WHITE Proxy Card.*

***Proposal 4*: RESOLVED, that Article II, Section 3 of the Bylaws be, and hereby is, amended to add a new clause at the end (which shall be designated clause (B) if Proposal 3 above is passed and shall be designated clause (E) if Proposal 3 above is not passed) to read as set forth in Section 3(B) of Exhibit E to the Solicitation Statement, in order to provide mechanics for calling a special meeting if no directors or less than a majority of directors are then in office.**

Pursuant to Article II, Section 6 of the Bylaws, the amendment of the Bylaws requires the vote of a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at the Special Meeting on such matter, a quorum (which is a majority in voting interest of the shares of the Company) being present.

In the event that Proposal 1 passes and the above-named directors are removed from the Board creating six vacancies, but Proposal 2 does not pass or Proposal 2 passes but the Board refuses to implement the shareholders wishes and does not elect or appoint the Group Nominees, then, as discussed above, pursuant to Article III, Section 5 of the Bylaws, Article 8 of the Charter and Section 233(a) of the DGCL, such vacancies may be filled by a majority vote of the then-remaining directors, even though less than a quorum.

We are proposing amendments to the Bylaws that would facilitate the shareholders right to call a special meeting to elect the replacements of the removed directors in the event that, at the time of filling any board vacancy, the directors then in office constitute less than a majority of the whole Board, as contemplated by Section 223 of the DGCL. The text of the proposed amendment is reproduced as Exhibit A to this Proxy Statement. We believe that best practices would allow shareholders to replace directors removed by them and that shareholders should not be required to call another special meeting or wait until the following annual meeting to do so. We believe it is important for Allergan shareholders to send a strong message to the incumbent Board in this regard by insisting on shareholders concurrent right to fill vacancies.

*We strongly urge you to vote **FOR** Proposal 4 by signing, dating and returning the enclosed WHITE Proxy Card in the enclosed postage paid envelope. You may also vote by telephone using the toll-free number on the WHITE Proxy Card or over the Internet using the Internet address on the WHITE Proxy Card.*

***Proposal 5*: RESOLVED, that Article II, Section 9 of the Bylaws be, and hereby is, amended to read as set forth in Section 9 of Exhibit E to the Solicitation Statement, in order to provide simplified mechanics for nominating directors or proposing business at any annual meeting.**

Pursuant to Article II, Section 6 of the Bylaws, the amendment of the Bylaws requires the vote of a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at the Special Meeting on such matter, a quorum (which is a majority in voting interest of the shares of the Company) being present.

In order to simplify the mechanics for nominating directors or proposing business at any annual meeting, we are proposing amendments to the Bylaws that would remove informational and procedural requirements for proposing business and nominating directors, which are set forth in the language marked as struck out in Article II, Section 9 of Exhibit E to the Solicitation Statement (and reproduced here as Exhibit A to this Proxy Statement), such as:

> the shareholder must provide detailed information regarding the business proposed to be conducted, as to the shareholder and any person or entity acting in concert with the shareholder, and as to each nominee, including the disclosure by the shareholder and each nominee of any Disclosable Interests (as defined in the Bylaws), which requirements require greater disclosure than that required by the federal proxy rules and Delaware law;

the shareholder must make representations regarding its intention to hold its shares through the date of the meeting, and must appear in person or by qualified representative to present the matters at the meeting; and

the requesting shareholder must update and supplement all such information as of the record date for the meeting and as of the date that is 10 business days prior to the meeting or any adjournment or postponement.

For reasons similar to those discussed under Proposal 3, we believe that simplifying these procedures is necessary to provide shareholders with meaningful rights to participate in the governance of the Company, consistent with the rights provided to shareholders in the Company s Charter.

*We strongly urge you to vote **FOR** Proposal 5 by signing, dating and returning the enclosed WHITE Proxy Card in the enclosed postage paid envelope. You may also vote by telephone using the toll-free number on the WHITE Proxy Card or over the Internet using the Internet address on the WHITE Proxy Card.*

***Proposal 6*: RESOLVED, that, if Proposal 1 is passed, Article III, Section 2 of the Bylaws be, and hereby is, amended to read as set forth in Article III, Section 2 of Exhibit E to the Solicitation Statement, in order to fix the authorized number of directors of the Company at nine directors.**

Pursuant to Article II, Section 6 of the Bylaws, the amendment of the Bylaws requires the vote of a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at the Special Meeting on such matter, a quorum (which is a majority in voting interest of the shares of the Company) being present. According to Article 6 of the Charter, directors can only be elected at the annual meeting of shareholders.

If Proposal 1 is passed, and Proposal 2 passes and the Board implements the shareholders wishes and elects or appoints the Group Nominees, this Proposal 6 is designed to prevent the Board from taking other actions to nullify those actions, including by appointing to the Board several new directors affiliated with Company management. The text of the proposed amendment is reproduced as Exhibit A to this Proxy Statement. The approval of Proposal 6 is conditioned on the approval of Proposal 1.

We believe that, if Proposal 1 is passed and Proposal 2 passes, Allergan shareholders will be sending a message that they desire the Group Nominees to control the Board. However, if the incumbent Board expands the size of the Board, the desire of Allergan shareholders will be thwarted. For example, if the incumbent Board expands the size of the Board to 13, and the Board implements the shareholders wishes and elects or appoints the Group Nominees, the Group Nominees elected will constitute six of the 13 directors on the Board and therefore will be unlikely to be able to effect a change in the direction of the Board. Regardless of the incumbent Board s motivation in so doing, we believe that any expansion of the Board would merely serve to disenfranchise you and delay your right to have a Board that advances your best interests.

*We strongly urge you to vote **FOR** Proposal 6 by signing, dating and returning the enclosed WHITE Proxy Card in the enclosed postage paid envelope. You may also vote by telephone using the toll-free number on the WHITE Proxy Card or over the Internet using the Internet address on the WHITE Proxy Card.*

***Proposal 7*: RESOLVED, that any amendment to the Bylaws adopted without shareholder approval after the Company s 2014 annual meeting and up to and including the date of the Special Meeting that changes the Bylaws in any way from the version that was publicly filed with the SEC on March 26, 2014 and became effective as of May 9, 2014 (other than any amendment to the Bylaws set forth herein) be, and hereby are, repealed.**

Pursuant to Article VII, Section 3 of the Bylaws, the repeal of amendments to the Bylaws requires the vote of a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at the Special Meeting on such matter, a quorum (which is a majority in voting interest of the shares of the Company) being present.

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This Proposal 7 is designed to prevent the Board from taking actions to amend the Bylaws to attempt to nullify or delay the actions taken by, or proposed to be taken by, the shareholders pursuant to the Proposals or to create new obstacles to the consummation of the transactions contemplated by Valeant s proposal. The text of the proposed amendment is reproduced as Exhibit A to this Proxy Statement.

We strongly urge you to vote ***FOR*** *Proposal 7 by signing, dating and returning the enclosed WHITE Proxy Card in the enclosed postage paid envelope. You may also vote by telephone using the toll-free number on the WHITE Proxy Card or over the Internet using the Internet address on the WHITE Proxy Card.*

***Proposal 8*: RESOLVED, that the shareholders of Allergan hereby request that the Board promptly engage in good faith discussions with Valeant regarding Valeant s offer to merge with the Company, without in any way precluding discussions the Board may choose to engage in with other parties potentially offering higher value.**

Pursuant to Article II, Section 6 of the Bylaws, such a proposal requesting that the Board promptly engage in good faith discussions with Valeant regarding Valeant s proposal requires the vote of a majority in voting interest of the shareholders present in person or by proxy and entitled to vote at such Special Meeting on such matter, a quorum (which is a majority in voting interest of the shares of the Company) being present.

This Proposal 8 is designed to provide shareholders with the ability to demonstrate, in a coordinated and powerful manner, their support for the Company to engage in a meaningful dialogue with Valeant. While there are numerous ways the Board could implement this Proposal 8, examples of such meaningful engagement could include, without limitation, and in each case conducted in good faith:

- the participation in one or more substantive, face-to-face meetings between the chief executive and other senior-level officers of the Company and representatives of Valeant to address the terms of Valeant s offer to merge with the Company;
- members of the Board making themselves available for face-to-face meetings with representatives of Valeant to discuss the terms of Valeant s offer;
- discussions between the financial advisors of the Company and the financial advisors of Valeant;
- discussions between the legal advisors of the Company and the legal advisors of Valeant, including in respect of the proposed merger agreement between the companies; and
- the Company undertaking preliminary due diligence activities with respect to Valeant, including entering into a confidentiality agreement that would allow it to receive non-public information from Valeant.

This Proposal 8 is non-binding in nature and thus the Board will be under no legal obligation to take any action with respect to the shareholders request to engage with Valeant, no matter how many votes are cast in favor of this Proposal 8.

We strongly urge you to vote ***FOR*** *Proposal 8 by signing, dating and returning the enclosed WHITE Proxy Card in the enclosed postage paid envelope. You may also vote by telephone using the toll-free number on the WHITE Proxy Card or over the Internet using the Internet address on the WHITE Proxy Card.*

VOTING PROCEDURES

Record Date; Vote Per Share

Allergan has one class of voting shares outstanding and, as of June 30, 2014, there were 296,910,449 shares of Company Common Stock outstanding as reported in the Schedule 14A Preliminary Revocation Solicitation Statement filed by the Company with the SEC on July 15, 2014 (the Company 14A). Only holders of record on [ ], 2014 are entitled to receive notice of the Special Meeting and to vote the shares of Company Common Stock that they held on such record date at the Special Meeting. Each share of Company Common Stock will have one vote on each matter to be voted on at the Special Meeting.

Quorum; Abstentions

In order to constitute a quorum for the conduct of business at the Special Meeting, a majority of the outstanding shares of Company Common Stock entitled to vote must be present or represented by proxy at the Special Meeting. Shares that abstain from voting or withhold authority on any Proposal or that are represented by broker non-votes (as discussed below), will be treated as shares that are present and entitled to vote at the Special Meeting for purposes of determining whether a quorum is present.

A vote to ABSTAIN or WITHHOLD AUTHORITY with respect to a Proposal will have the same effect as a vote against the Proposal. In the case of Proposal 1, the voting standard is a majority of the shares outstanding, and votes from shareholders to ABSTAIN or WITHHOLD AUTHORITY for the Proposal will have the same effect as a vote against the Proposal. In the case of Proposals 2-8, the voting standard is a majority in voting interest of shareholders present, in person or by proxy, and entitled to vote at the Special Meeting. Votes from shareholders to ABSTAIN or WITHHOLD AUTHORITY , which will be treated as votes from shareholders present but not in favor of a Proposal, will have the same effect as a vote against the Proposal.

Broker Non-Votes

If you hold your shares through a bank, broker or other nominee (that is, in street name) and do not provide voting instructions to your bank, broker or other nominee, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote. In this case, a broker non-vote occurs. Shares constituting broker non-votes are not counted or deemed to be present or represented for the purpose of determining whether shareholders have approved a matter, but they are counted as present for the purpose of determining a quorum at the Special Meeting.

Broker non-votes with respect to a Proposal will have the same effect as a vote against the Proposal. In the case of Proposal 1, the voting standard is a majority of the shares outstanding, and broker non-votes will have the same effect as a vote against the Proposal. In the case of Proposals 2-8, the voting standard is a majority in voting interest of shareholders present, in person or by proxy, and entitled to vote at the Special Meeting. Broker non-votes , which will be treated as votes from shareholders present but not in favor of a Proposal, will have the same effect as a vote against the Proposal.

The solicitation of proxies with respect to the Proposals described in this Proxy Statement are non-routine matters and brokers and other nominees do not have discretionary authority to vote your shares on non-routine matters. Therefore, unless you provide specific voting instructions to your broker or other nominee, they will not have discretionary authority to vote your shares at the Special Meeting and your shares will not be voted for or against any of the Proposals.

If your shares are held in street name, your broker or other nominee will have enclosed a voting instruction card with this Proxy Statement. We strongly encourage you to vote your shares by following the instructions provided on the voting instruction card.

Revocation of Proxies

Shareholders who have executed and delivered a WHITE Proxy Card may revoke it at any time before the proxy is exercised by:

- delivering an instrument revoking the earlier proxy, or a duly executed later dated proxy for the same shares, to D.F. King at 48 Wall Street, New York, NY 10005; or
- filing with the Company s Corporate Secretary prior to the Special Meeting either a notice of revocation or a duly executed later dated proxy for the same shares; or
- if you have voted by telephone or through the Internet, calling the same toll-free number or by accessing the same web site and following the instructions provided on the WHITE Proxy Card; or
- voting in person at the Special Meeting.

Written ballots will be distributed to shareholders who wish to vote in person at the Special Meeting. If you hold your shares through a bank, broker or other nominee, you must obtain a legal proxy from such custodian in order to vote in person at the Special Meeting (the power of the proxy holders will be s