

MYLAN INC.
Form DEF 14A
March 30, 2009

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

MYLAN INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- 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:

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- (1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

March 27, 2009

Dear Shareholder:

You are cordially invited to attend the 2009 Annual Meeting of Shareholders of Mylan Inc., which will be held at 9:30 a.m. (Pacific time) on May 7, 2009, at the JW Marriott, 500 Post Street, in San Francisco, California. Details about the business to be conducted at the Annual Meeting are described in the accompanying Notice of Annual Meeting and Proxy Statement.

It is important that your shares be represented at the Annual Meeting, regardless of the number of shares you own. Whether or not you currently plan to attend, you can ensure that your shares are represented and voted at the Annual Meeting by promptly signing, dating and returning the enclosed proxy card. A return envelope, which requires no additional postage if mailed in the United States, is enclosed for your convenience. Alternatively, you may vote over the Internet or by telephone by following the instructions set forth on the enclosed proxy card.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Robert J. Coury
Vice Chairman and Chief Executive Officer

Table of Contents

IMPORTANT NOTICE REGARDING ADMISSION TO THE MEETING

EACH SHAREHOLDER PLANNING TO ATTEND THE MEETING WILL BE ASKED TO PRESENT VALID PHOTO IDENTIFICATION, SUCH AS A DRIVER S LICENSE OR PASSPORT.

IN ADDITION, EACH SHAREHOLDER MUST PRESENT HIS OR HER ADMISSION TICKET, WHICH IS A PORTION OF THE ENCLOSED PROXY CARD. PLEASE TEAR OFF THE TICKET AT THE PERFORATION.

IF YOU ARE A SHAREHOLDER, BUT DO NOT OWN SHARES IN YOUR OWN NAME, YOU MUST BRING PROOF OF OWNERSHIP (E.G., A CURRENT BROKER S STATEMENT) IN ORDER TO BE ADMITTED TO THE MEETING.

ADMISSION TO THE MEETING WILL BE ON A FIRST-COME, FIRST-SERVED BASIS. REGISTRATION WILL BEGIN AT 9:00 A.M., AND SEATING WILL BEGIN AT 9:30 A.M. CAMERAS OR OTHER PHOTOGRAPHIC EQUIPMENT, AUDIO OR VIDEO RECORDING DEVICES AND OTHER ELECTRONIC DEVICES WILL NOT BE PERMITTED AT THE MEETING.

PLEASE JOIN US A CONTINENTAL BREAKFAST WILL BE SERVED

Table of Contents

**1500 Corporate Drive
Canonsburg, PA 15317**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2009 Annual Meeting of Shareholders of Mylan Inc. (the Company) will be held at the JW Marriott, 500 Post Street, in San Francisco, California on Thursday, May 7, 2009, at 9:30 a.m. (Pacific time), for the following purposes:

to elect nine directors, each for a term of one year;

to approve an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of common stock from 600,000,000 to 1,500,000,000;

to approve an amendment to the Company's 2003 Long-Term Incentive Plan to allocate 3,000,000 shares currently available under the Plan to the amount issuable as restricted shares, restricted units, performance shares or other stock-based awards;

to consider a proposal to amend the Company's Bylaws to include a majority voting standard in an uncontested election of directors;

to ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2009; and

to consider and act upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

Shareholders of record of the Company's common stock at the close of business on March 20, 2009 are entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof. We will make available at the Annual Meeting a complete list of shareholders entitled to vote at the Annual Meeting.

By order of the Board of Directors,

Joseph F. Haggerty
Corporate Secretary

March 27, 2009

PLEASE PROMPTLY SIGN AND DATE THE ENCLOSED PROXY CARD AND RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE, OR VOTE OVER THE INTERNET OR BY TELEPHONE BY FOLLOWING THE INSTRUCTIONS SET FORTH ON THE ENCLOSED PROXY CARD. IF YOU ATTEND THE ANNUAL MEETING AND WISH TO VOTE IN PERSON, YOU WILL BE ABLE TO DO SO AND YOUR VOTE AT THE ANNUAL MEETING WILL REVOKE ANY PROXY YOU MAY SUBMIT.

THE PROXY STATEMENT AND THE 2008 ANNUAL REPORT ARE AVAILABLE AT WWW.MYLAN.COM.

TABLE OF CONTENTS

	Page
<u>Voting Rights, Proxies and Solicitation</u>	1
<u>General</u>	1
<u>Quorum</u>	1
<u>Voting</u>	1
<u>Revoking a Proxy</u>	1
<u>Votes Required</u>	2
<u>Multiple Shareholders Sharing the Same Address</u>	2
<u>Proxy Solicitation</u>	2
<u>Change in Fiscal Year End</u>	2
<u>Item 1 Election of Directors</u>	2
<u>Director Nominees</u>	3
<u>Meetings of the Board</u>	5
<u>Board Committees</u>	5
<u>Consideration of Director Nominees</u>	6
<u>Director Independence</u>	7
<u>Code of Ethics; Corporate Governance Principles; Code of Business Conduct and Ethics</u>	7
<u>Item 2 Approval of an Amendment to the Company's Articles of Incorporation</u>	7
<u>Item 3 Approval of an Amendment to the Company's 2003 Long-Term Incentive Plan</u>	8
<u>New Plan Benefits in 2009</u>	13
<u>Item 4 Approval of an Amendment to the Company's Bylaws</u>	14
<u>Item 5 Ratification of Selection of Deloitte & Touche LLP as Our Independent Registered Public Accounting Firm</u>	15
<u>Independent Registered Public Accounting Firm's Fees</u>	15
<u>Audit Committee Pre-Approval Policy</u>	16
<u>Non-Employee Director Compensation for 2008</u>	16
<u>Security Ownership of Certain Beneficial Owners and Management</u>	17
<u>Security Ownership of Directors, Nominees and Executive Officers</u>	17
<u>Security Ownership of Certain Beneficial Owners</u>	18
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	19
<u>Executive Officers</u>	20
<u>Executive Compensation for 2008</u>	21
<u>Compensation Discussion and Analysis</u>	21
<u>Compensation Committee Report</u>	25
<u>Summary Compensation Table</u>	26
<u>Grants of Plan-Based Awards for 2008</u>	28
<u>Outstanding Equity Awards at the End of 2008</u>	29
<u>Option Exercises and Stock Vested for 2008</u>	30
<u>Pension Benefits for 2008</u>	31
<u>Retirement Benefit Agreements and Deferred Compensation Plan</u>	31
<u>Employment Agreements</u>	32
<u>Potential Payments Upon Termination or Change of Control</u>	33
<u>Report of the Audit Committee of the Board of Directors</u>	36
<u>Compensation Committee Interlocks and Insider Participation</u>	36

<u>Certain Relationships and Related Transactions</u>	36
<u>Communications with Directors</u>	37
<u>2010 Shareholder Proposals</u>	37
<u>Other Matters; Directions</u>	37
<u>2008 Annual Report</u>	38

Table of Contents

**MYLAN INC.
PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
May 7, 2009**

VOTING RIGHTS, PROXIES AND SOLICITATION

General

We are furnishing this Proxy Statement to shareholders of Mylan Inc., a Pennsylvania corporation (Mylan or the Company), in connection with the solicitation of proxies by our Board of Directors (the Board) for use at our 2009 Annual Meeting of Shareholders (the Annual Meeting) and at any adjournment or postponement thereof. The Annual Meeting is scheduled to be held on Thursday, May 7, 2009, at 9:30 a.m. (Pacific time), at the JW Marriott, 500 Post Street, in San Francisco, California, for the purposes set forth in the accompanying Notice of Annual Meeting. We are mailing this Proxy Statement and the enclosed proxy card to shareholders on or about March 31, 2009.

Our Board of Directors has fixed the close of business on March 20, 2009 (the Record Date) as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment or postponement thereof. As of the close of business on the Record Date, there were 304,894,578 shares of our common stock, par value \$0.50 per share (Common Stock), outstanding and entitled to vote. Each share of Common Stock is entitled to one vote on each matter properly brought before the Annual Meeting. Shareholders do not have cumulative voting rights.

Quorum

Holders of a majority of the outstanding shares of our Common Stock entitled to vote on the Record Date must be present in person or represented by proxy to constitute a quorum. Proxies marked as abstaining and proxies returned by brokers as non-votes because they have not received voting instructions from the beneficial owners of the shares each will be treated as shares present for purposes of determining the presence of a quorum.

Voting

Shareholders may cast their votes at the meeting, over the Internet, by submitting a printed proxy card, or by calling a toll-free number.

If you vote by proxy, the individuals named on the enclosed proxy card will vote your shares in the manner you indicate. If you do not specify voting instructions, then the proxy will be voted in accordance with recommendations of the Board of Directors, as described in this Proxy Statement. If any other matter properly comes before the Annual Meeting, the designated proxies will vote on that matter in their discretion.

If your shares are held in the name of a brokerage firm, bank nominee or other institution, please sign, date and mail the enclosed instruction card in the enclosed postage-paid envelope or contact your broker, bank nominee or other institution to determine whether you will be able to vote over the Internet or by telephone.

If you come to the Annual Meeting to cast your vote in person and you are holding your shares in a brokerage account or through a bank or other nominee (street name), you will need to bring a legal proxy obtained from your broker, bank or nominee which will authorize you to vote your shares in person.

Your vote is important. We encourage you to sign and date your proxy card and return it in the enclosed postage-paid envelope, or vote over the Internet or by telephone, so that your shares may be represented and voted at the Annual Meeting.

Revoking a Proxy

You may revoke your proxy at any time before it is voted by submitting another properly executed proxy showing a later date, by filing a written notice of revocation with Mylan's Corporate Secretary, by casting a new

Table of Contents

vote over the Internet or by telephone, or by voting in person at the Annual Meeting. The contact information for the Company's Secretary is stated on page 37 under Communications With Directors.

Votes Required

Election of Directors

You may vote either FOR or WITHHOLD with respect to each nominee for the Board. Directors are elected by plurality voting, which means that the nine director nominees who receive the highest number of votes will be elected to the Board. Votes of WITHHOLD and broker non-votes, if any, will have no effect on the outcome of the election of directors.

Amendment of Articles of Incorporation, Amendment of the 2003 LTIP, Amendment of Bylaws and Ratification of Selection of Deloitte & Touche LLP as Our Independent Registered Public Accounting Firm

The amendment of each of our Articles of Incorporation, 2003 Long-Term Incentive Plan and Bylaws and the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2009 each will require the affirmative vote of a majority of the votes cast by all shareholders entitled to vote. Abstentions and broker non-votes, if any, will have no effect on the outcome of the vote on any of these proposals. If the selection of Deloitte & Touche LLP is not ratified by our shareholders, the audit committee will reconsider its recommendation.

Multiple Shareholders Sharing the Same Address

In accordance with the notices we previously sent to street name shareholders who share a single address, we are sending only one 2008 Annual Report and proxy statement to that address unless we have received contrary instructions from any shareholder at that address. This practice, known as householding, is designed to reduce our printing and postage costs. However, if any shareholder residing at such an address wishes to receive a separate 2008 Annual Report and Proxy Statement, we will promptly deliver the requested documents upon written or oral request to Mylan's Corporate Secretary. If you are receiving multiple copies of our 2008 Annual Report and Proxy Statement, you can request householding by contacting Mylan's Corporate Secretary. The contact information for the Company's Secretary is stated on page 37 under Communications With Directors.

Proxy Solicitation

Mylan will bear the entire cost of this solicitation, including the preparation, assembly, printing and mailing of this Proxy Statement and any additional materials furnished by our Board of Directors to our shareholders. Proxies may be solicited without additional compensation by directors, officers and employees of Mylan and its subsidiaries. Copies of solicitation material will be furnished to brokerage firms, banks and other nominees holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to these beneficial owners. If asked, we will reimburse these persons for their reasonable expenses in forwarding the solicitation material to the beneficial owners. The original solicitation of proxies by mail may be supplemented by telephone, telegram, facsimile, Internet and personal solicitation by our directors, officers or other regular employees. In addition, the Company has retained Morrow & Co., LLC to assist in soliciting proxies at a cost of approximately \$9,500 plus expenses.

Change in Fiscal Year End

In October 2007, we changed our fiscal year end from March 31 to December 31. As a result, certain information in this Proxy Statement is presented for the nine-month period from April 1, 2007 to December 31, 2007, which is

referred to in this Proxy Statement as the 2007 Transitional Period.

ITEM 1 ELECTION OF DIRECTORS

Mylan's Board of Directors currently consists of ten members. However, the Board has approved a decrease in the number of directors constituting the full Board to nine, effective as of the date of the Annual Meeting, because

Table of Contents

N. Prasad has decided not to seek re-election to the Board. All nominees listed below have previously been elected as directors by shareholders. Our directors are elected to serve for a one-year term and until his or her successor is duly elected and qualified. Each of the nine nominees listed below has consented to act as a director of Mylan if elected. If, however, a nominee is unavailable for election, proxy holders will vote for another nominee proposed by the Board or, as an alternative, the Board may reduce the number of directors to be elected at the Annual Meeting.

Director Nominees

Information about each director nominee is set forth below, including the nominee's principal occupation and business experience, other directorships, age and tenure on the Company's Board.

Name, Age and Year First Elected Director	Principal Occupation and Business Experience; Other Directorships
Milan Puskar Age 74 1976	Chairman of the Board of Mylan (since 1993); Chief Executive Officer of Mylan (1993-2002); President of Mylan (1976-2000); Vice Chairman of Mylan (1980-1993); Vice President and General Manager of the Cincinnati division of ICN Pharmaceuticals Inc., a specialty pharmaceutical company now known as Valeant Pharmaceuticals International (1972-1975); various positions with Mylan Pharmaceuticals Inc., now a wholly-owned subsidiary of the Company, including Secretary-Treasurer and Executive Vice President (1961-1972); Director of Centra Bank, Inc. and Centra Financial Holdings, Inc.
Robert J. Coury Age 48 2002	Vice Chairman of the Board of Mylan (since March 2002) and Chief Executive Officer of Mylan (since September 2002); founder, Chief Executive Officer and principal owner of Coury Consulting, L.P., a Pittsburgh, Pennsylvania corporate advisory firm (1989-2002); Non-Executive Chairman of the Board of Matrix Laboratories Limited (Matrix), a majority-owned subsidiary of Mylan.
Wendy Cameron Age 49 2002	Director and Co-Owner of Cam Land LLC, a harness racing business in Washington, Pennsylvania (since January 2003); Vice President, Divisional Sales & Governmental Affairs, Cameron Coca-Cola Bottling Company, Inc. (1981-1998); Chairman of the Washington Hospital Board of Trustees and of the Washington Hospital Executive Committee.
Neil Dimick, C.P.A.* Age 59 2005	Retired; Executive Vice President and Chief Financial Officer of Amerisource Bergen Corporation, a wholesale distributor of pharmaceuticals (2001-2002); Senior Executive Vice President and Chief Financial Officer of Bergen Brunswig Corporation, a wholesale drug distributor (1992-2001); Director of HLTh Corporation (formerly Emdeon Corporation), WebMD Health Corp., Alliance Imaging, Inc., Thoratec Corporation and Resources Connection, Inc.

Table of Contents

Name, Age and Year First Elected Director	Principal Occupation and Business Experience; Other Directorships
<p>Douglas J. Leech, C.P.A.* Age 54 2000</p>	<p>Chairman, President and Chief Executive Officer of Centra Bank, Inc. and Centra Financial Holdings, Inc. (since 1999); former Chief Executive Officer and President of Huntington Banks West Virginia.</p>
<p>Joseph C. Maroon, M.D. Age 68 2003</p>	<p>Professor, Heindl Scholar in Neuroscience and Vice Chairman of the Department of Neurosurgery, University of Pittsburgh Medical Center (UPMC) and other positions at UPMC (since 1998).</p>
<p>Rodney L. Piatt, C.P.A.* Age 56 2004</p>	<p>President and owner of Horizon Properties, a real estate and development company (1996-present); Chief Executive Officer and Director of Lincoln Manufacturing Inc., a steel and coal manufacturing company (2003-present).</p>
<p>C.B. Todd Age 75 1993</p>	<p>Retired; President and Chief Operating Officer of Mylan (2001-2002); positions with Mylan in various capacities from 1970 until his initial retirement in 1999, including Senior Vice President (1987-1999), President, Mylan Pharmaceuticals (1991-1999), Senior Vice President, Mylan Pharmaceuticals (1987-1991) and Vice President-Quality Control, Mylan Pharmaceuticals (1978-1987).</p>
<p>Randall L. (Pete) Vanderveen, Ph.D., R.Ph Age 58 2002</p>	<p>Dean, John Stauffer Decanal Chair, School of Pharmacy, University of Southern California (since September 2005); Dean of the School of Pharmacy and Graduate School of Pharmaceutical Science and Professor of Pharmacy at Duquesne University, Pittsburgh, Pennsylvania (1998-2005); Assistant Dean and Associate Professor at Oregon State University, Portland, Oregon (1988-1998).</p>

* All C.P.A. distinctions in this Proxy Statement refer to inactive status.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE
FOR THE ELECTION OF EACH OF THE NOMINEES NAMED ABOVE.**

Table of Contents**Meetings of the Board**

In 2008, our Board met 14 times. In addition to meetings of the Board, directors attended meetings of individual Board committees. In 2008, all of the directors attended at least 75% of the Board meetings and meetings of Board committees of which they were a member, except for Mr. Prasad, who lives overseas, and Mr. Leech. In addition to Board and committee meetings, it is the Company's policy that directors are expected to attend the Annual Meeting. All members of the Board attended the 2008 Annual Meeting of Shareholders.

Non-management members of the Board meet in executive sessions on a regular basis. Neither the Chief Executive Officer nor any other member of management attends such meetings of non-management directors. Milan Puskar, the Chairman of the Board, has been chosen to preside at such executive sessions. For information regarding how to communicate with non-management directors as a group and one or more individual members of the Board, see *Communications with Directors* below.

Board Committees

The principal standing committees of the Board include the Audit Committee, the Compensation Committee and the Governance and Nominating Committee. Each such committee operates under a written charter, current copies of which are available on the Company's corporate website at www.mylan.com under the heading *Corporate Governance*. Copies of the charters are also available in print to shareholders upon request, addressed to Mylan's Corporate Secretary at 1500 Corporate Drive, Canonsburg, Pennsylvania 15317.

The table below provides 2008 membership and meeting information for our principal Board committees.

Director	Audit	Compensation	Governance and Nominating
Wendy Cameron		X	X
Robert J. Coury			
Neil Dimick, C.P.A.	X		
Douglas Leech, C.P.A.	C		C
Joseph Maroon, M.D.		X	
Rodney L. Piatt, C.P.A.	X	C	X
N. Prasad			
Milan Puskar			
C.B. Todd			
Randall L. (Pete) Vanderveen, Ph.D.			
Meetings during 2008	15	6	1

C = Chairperson

X = Member

Audit Committee and Audit Committee Financial Expert. The Audit Committee's responsibilities include the appointment, compensation, retention and oversight of the Company's independent registered public accounting firm;

reviewing with the independent registered public accounting firm the scope of the audit plan and audit fees; and reviewing the Company's financial statements and related disclosures. All of the members of the Audit Committee are independent directors, as required by and as defined in the audit committee independence standards of the Securities and Exchange Commission (the SEC) and the NASDAQ listing standards. The Board has determined that each of the Audit Committee members Mr. Leech, Mr. Dimick and Mr. Piatt is an audit committee financial expert, as that term is defined in the rules of the SEC. The Board of Directors has determined with regard to Mr. Dimick, who serves on the audit committees of more than three public companies, that such simultaneous service does not impair his ability to effectively serve on our Audit Committee.

Compensation Committee. The Compensation Committee establishes and regularly reviews the Company's compensation philosophy, strategy, objectives and ethics and oversees and approves the compensation program for the Company's executive officers. The Compensation Committee plays a very active role, including the regular

Table of Contents

review of the Company's compensation programs against industry practices, the Company's strategic goals and emerging trends as well as to ensure strong links between executive pay and performance, as well as alignment with shareholder interests. The Compensation Committee also administers the Company's equity compensation and benefit plans. All of the members of the Compensation Committee are independent directors as defined in the applicable NASDAQ listing standards.

Governance and Nominating Committee. The Governance and Nominating Committee (the G&N Committee) is responsible for the nomination of candidates for the Board and the oversight of all aspects of the Company's corporate governance initiatives. All of the members of the G&N Committee are independent directors as defined in the applicable NASDAQ listing standards.

Consideration of Director Nominees

For purposes of identifying individuals qualified to become members of the Board, the G&N Committee has adopted the following criteria with regard to traits, abilities and experience that the Board looks for in determining candidates for election to the Board:

Directors should be of the highest ethical character and share the values of the Company.

Directors should have personal and/or professional reputations that are consistent with the image and reputation of the Company.

Each Director should have relevant expertise and experience and be able to offer advice and guidance to the Chief Executive Officer based on that expertise and experience.

Each Director should have the ability to exercise sound business judgment.

In addition, a majority of the members of the Board should be independent, not only as that term may be defined legally or mandated by the applicable NASDAQ listing standards, but also without the appearance of any conflict in serving as a director. For a director to be considered independent, the Board must determine that he or she does not have any material relationship with the Company, either directly or indirectly (other than in his or her capacity as a director).

The G&N Committee will consider director candidates properly submitted by shareholders. In considering candidates submitted by shareholders, the G&N Committee will take into consideration the needs of the Board and the qualifications of the candidate, including those traits, abilities and experience identified above. Any submission of a proposed candidate for consideration by the G&N Committee should include the name of the proposing shareholder and evidence of such person's ownership of Mylan stock, and the name of the proposed candidate, his or her resume or a listing of his or her qualifications to be a director of the Company, and the proposed candidate's signed consent to be named as a director if recommended by the G&N Committee. Such information will be considered by the Chairman of the G&N Committee, who will present the information on the proposed candidate to the entire G&N Committee.

Any shareholder recommendation of a proposed candidate must be sent to Mylan's Corporate Secretary at 1500 Corporate Drive, Canonsburg, Pennsylvania 15317, not later than 120 days prior to the anniversary date of the Company's most recent annual meeting of shareholders.

The G&N Committee identifies new potential nominees by asking current directors and executive officers to notify the G&N Committee if they become aware of persons, meeting the criteria described above, who would be good candidates for service on the Board. The G&N Committee also, from time to time, may engage firms that specialize in

identifying director candidates. As described above, the G&N Committee will also consider candidates recommended by shareholders.

Once a person has been identified by the G&N Committee as a potential candidate, the G&N Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. If the G&N Committee determines that the candidate warrants further consideration, the Chairman or another member of the G&N Committee will contact the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the G&N Committee will request information from the

Table of Contents

candidate, review the candidate's accomplishments and qualifications, including in light of any other candidates that the G&N Committee might be considering, and conduct one or more interviews with the candidate. In certain instances, G&N Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater first-hand knowledge of the candidate's accomplishments. The G&N Committee's evaluation process does not vary based on whether or not a candidate is recommended by a shareholder.

Director Independence

The Board has determined that Ms. Cameron, Mr. Dimick, Mr. Leech, Dr. Maroon, Mr. Piatt, Mr. Todd and Dr. Vanderveen have no material relationships with the Company and concluded that they are independent directors under the applicable NASDAQ listing standards. With respect to Messrs. Leech, Piatt and Todd, the Board considered their past relationships with the Company, which relationships are no longer in existence, and determined that such past relationships are not material. Messrs. Puskar, Coury and Prasad are not independent directors due to their present or past service as executives of the Company.

Code of Ethics; Corporate Governance Principles; Code of Business Conduct and Ethics

The Board of Directors has adopted a Code of Ethics for the Chief Executive Officer, Chief Financial Officer and Corporate Controller. The Board of Directors also has adopted Corporate Governance Principles as well as a Code of Business Conduct and Ethics applicable to all directors, officers and employees. Current copies of the Code of Ethics, the Corporate Governance Principles and the Code of Business Conduct and Ethics are posted on the Company's website at www.mylan.com under the heading Corporate Governance. Copies of the Code of Ethics, the Corporate Governance Principles and the Code of Business Conduct and Ethics are also available in print to shareholders upon request, addressed to Mylan's Corporate Secretary at 1500 Corporate Drive, Canonsburg, Pennsylvania 15317. The Company intends to post any amendments to or waivers from the Code of Ethics on its website.

ITEM 2 APPROVAL OF AN AMENDMENT TO THE COMPANY'S ARTICLES OF INCORPORATION

On February 17, 2009, Mylan's Board of Directors unanimously approved, and recommended that the shareholders of Mylan approve, an amendment to Paragraph 5.A. of Mylan's Articles of Incorporation, as amended to date (the Articles), to increase the number of authorized shares of Mylan's common stock from 600,000,000 to 1,500,000,000. The proposed amendment would replace Paragraph 5.A. in its entirety as follows:

5.A. The aggregate number of shares which the corporation shall have authority to issue is 1,505,000,000 shares, consisting of 1,500,000,000 shares of common stock, par value \$.50 per share (hereinafter referred to as the common stock), and 5,000,000 shares of preferred stock, par value \$.50 per share.

No increase in the number of authorized shares of Mylan's preferred stock is proposed at this time. The respective rights and limitations applicable to Mylan's common stock will remain unchanged under the proposed amendment. Mylan's common stock has no associated preemptive rights.

Of the 600,000,000 currently authorized shares of common stock, as of March 20, 2009, 304,894,578 shares of Mylan's common stock were issued and outstanding, with an additional 90,487,121 held in treasury. In addition, at March 20, 2009, an aggregate of 27,334,442 shares were underlying outstanding awards under the Company's equity plans. Additionally, up to 152,785,775 shares will be required in 2010 upon the mandatory conversion of our convertible preferred stock, and we have reserved 133,159,125 shares under warrant agreements related to Mylan's convertible notes.

The Board of Directors believes that the proposed increase in the number of authorized shares of Mylan's common stock will be beneficial to the Company in a number of ways, including the following:

As referenced above, in November 2007, we issued 2,139,000 shares of mandatory convertible preferred stock which will convert into as many as 152,785,775 shares of our common stock in November 2010.

Table of Contents

Additionally, in March 2007 and September 2008, we entered into warrant transactions with certain counterparties in conjunction with the issuance of convertible notes; as a result of those transactions we are contractually obligated to have 46,822,759 and 86,336,366 shares of our common stock, respectively, reserved for issuance. With respect to the September 2008 transaction, we agreed to seek approval from our shareholders to increase the number of authorized shares, so that the counterparties have sufficient protection that we would issue shares to them if required to do so.

An increase in the authorized shares of common stock will provide the Company with greater flexibility with respect to its capital structure. While the Company has no current plans to do so, we would be able to issue additional shares of common stock or convertible instruments and associated hedges when advantageous market conditions present themselves (e.g., stock splits, dividends, etc.).

Stock-based compensation historically has been an important component of Mylan's long-term strategy of providing incentives to management. The Board of Directors strongly believes that it is desirable and in the best interests of Mylan and its shareholders to have the flexibility to use equity as a basis for management compensation under certain circumstances.

Adoption of this proposal will enable Mylan to respond promptly and appropriately to various business opportunities, such as financing acquisitions with common stock. Mylan may not be able to respond positively or in a timely manner to such potential transactions unless shareholders approve an increase in the authorized number of shares of common stock. Although Mylan regularly reviews various investment opportunities and other transactions that could result in the issuance of shares of capital stock, the Board of Directors has no present plans to issue additional shares, except for those shares to be issued pursuant to the convertible instruments and related transactions discussed previously and issuances under our equity plans.

If the proposed amendment to Mylan's Articles is approved, Articles of Amendment will be filed promptly with the Secretary of State of the Commonwealth of Pennsylvania. The amendment would be effective upon the date of filing.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT MYLAN'S SHAREHOLDERS VOTE FOR THE AMENDMENT TO THE COMPANY'S RESTATED ARTICLES OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF MYLAN COMMON STOCK FROM 600,000,000 TO 1,500,000,000 SHARES. UNLESS MARKED TO THE CONTRARY, PROXIES RECEIVED FROM SHAREHOLDERS WILL BE VOTED IN FAVOR OF THIS PROPOSAL.

**ITEM 3 APPROVAL OF AN AMENDMENT TO
THE COMPANY'S 2003 LONG-TERM INCENTIVE PLAN**

The Company's 2003 Long-Term Incentive Plan (the "2003 Plan" or the "Plan") was adopted by the Board of Directors in 2003, approved by shareholders on July 25, 2003, and then approved by the shareholders, as amended, on April 25, 2008.

Mylan currently has an aggregate of 37,500,000 shares available for issuance under the 2003 Plan. Of those, no more than 5,000,000 shares may be issued as restricted shares, restricted units, performance shares or other stock-based awards (i.e., awards other than stock options and stock appreciation rights) (collectively, "stock-based awards").

The Board of Directors is not seeking approval for an increase in the 37,500,000 shares available for grant under the Plan. Instead, we are requesting that, within that aggregate number of shares, an additional 3,000,000 shares be allocated to the number of shares that may be used for stock-based awards. Shareholder approval is required at this time to increase the maximum number of shares issuable under the 2003 Plan as stock-based awards from 5,000,000

to 8,000,000. As of March 20, 2009, there were 1,223,608 shares remaining available for grant as stock-based awards.

The Company believes that increasing the maximum number of shares issuable as stock-based awards from 5,000,000 to 8,000,000 is essential for a number of reasons, including the need for us to retain and continue to appropriately incent executives and other employees after a period of transformational growth. A key component of

Table of Contents

the Company's compensation philosophy is that a mix of stock options and stock-based awards as part of total compensation currently plays a key role in attracting and retaining quality individuals, and the reallocation of the 3,000,000 shares will allow us to act accordingly. In addition, changes in accounting rules since the inception of the Plan have made options somewhat less attractive in terms of their impact on earnings. For example, if the value of the options to the employee is zero, the Company would have recognized compensation expense without any value being transferred to the employee, whereas stock-based awards have value to the employee even if the market price of our common stock declines and, therefore, continue to serve as an effective incentive.

The following is a summary of the 2003 Plan. This summary is qualified in its entirety by reference to the complete text of the amended 2003 Plan.

Purpose. The Board of Directors believes that the grant of stock-based and cash-based incentive awards to key employees, consultants, independent contractors, and non-employee directors of Mylan is a vital factor in attracting and retaining effective and capable personnel who contribute to the growth and success of Mylan and in establishing a direct link between the financial interests of these individuals and Mylan shareholders.

Duration of the 2003 Plan. The 2003 Plan became effective in 2003 upon approval by the Board and shareholders, and will remain effective until terminated by the Board of Directors. No incentive stock options may be granted under the 2003 Plan after the tenth anniversary of the effective date, and certain provisions of the 2003 Plan relating to performance-based awards under Section 162(m) of the Internal Revenue Code (Section 162(m)), which were set to expire on the fifth anniversary of the effective date of the 2003 Plan, were re-approved by shareholders in 2008.

Amendment of the 2003 Plan. The Board of Directors may amend the 2003 Plan at any time, but no amendment may, without the participant's consent, materially adversely affect the right of such participant under a previously granted award. In addition, no amendment may, without approval by the shareholders of Mylan, (i) increase the total number of shares of common stock which may be issued under the 2003 Plan; (ii) increase the total number of shares which may be covered by awards to any one participant; or (iii) amend the provision in the 2003 Plan prohibiting the reduction of the exercise price of a stock option without shareholder approval.

Shares to be Issued. Mylan initially reserved 15,000,000 shares, which, was automatically adjusted to 22,500,000 shares as a result of a stock split in 2003, and in 2008 the Company added an additional 15,000,000 shares to the Plan upon approval by the shareholders, in light of the Company's recent significant growth. Shares subject to expired or forfeited awards once again become available for grant under the 2003 Plan. If shares of common stock are tendered or withheld to pay the exercise price or withholding taxes due upon an option exercise, only the net number of shares issued will count against the number of shares available for issuance under the 2003 Plan. The shares of common stock to be issued or delivered under the 2003 Plan will be authorized and unissued shares or previously issued and outstanding shares of common stock reacquired by Mylan. As stated above, at present no more than 5,000,000 shares may be issued as stock-based awards. If the proposed amendment is approved, a maximum of 8,000,000 shares may be used for such purpose. As of March 20, 2009, there were 19,054,272 shares remaining available for grant of any type of award under the Plan, and, within that amount, 1,223,608 shares were available for grant as stock-based awards.

On March 26, 2009, the closing price of the common stock as quoted on NASDAQ was \$13.69 per share.

Administration. The 2003 Plan is administered by the Compensation Committee of the Board of Directors (the Committee). The Committee (i) determines the employees, consultants, independent contractors, and non-employee directors who will be eligible for and granted awards; (ii) determines the amount and type of awards; (iii) establishes rules and guidelines relating to the 2003 Plan; (iv) establishes, modifies, and determines terms and conditions of awards; and (v) takes such other action as may be necessary for the proper administration of the 2003 Plan. Members

of the Committee are entitled to be indemnified by Mylan with respect to claims relating to their actions in the administration of the 2003 Plan except, in the case of willful misconduct.

Participants. Any employee, consultant, independent contractor or non-employee director of Mylan or its subsidiaries may be selected by the Committee to receive an award under the 2003 Plan. Presently, there are approximately 12,000 individuals who may be eligible to participate in the 2003 Plan. No participant is eligible to receive an award during any one calendar year in respect of more than 800,000 shares (whether through grants of

Table of Contents

options, stock appreciation rights, restricted shares, restricted units, performance shares, or other stock-based awards). In applying these limitations, if it is the Committee's intention that an award will be earned over a period of more than one calendar year, then the amount subject to the award will be allocated to the first calendar year in which such amount may be earned (determined without regard to possible vesting acceleration as a result of a change in control or Committee action).

Certain Adjustments. The share limitations under the 2003 Plan, as well as the terms of outstanding awards, are subject to adjustment in accordance with the anti-dilution provisions of the 2003 Plan in connection with any certain changes in the capitalization of Mylan. The 2003 Plan also contains provisions regarding the treatment of outstanding awards in connection with mergers and similar transactions involving Mylan.

Stock Options. The Committee may grant to a participant incentive stock options that qualify under Section 422 of the Internal Revenue Code, options which do not qualify as incentive stock options (non-qualified stock options), or a combination thereof. The terms and conditions of stock option grants including the quantity, price, waiting periods, and other conditions on exercise will be determined by the Committee. Options generally will have a term of ten years, except that the option may expire earlier upon a participant's termination of services (which include the participant's death, permanent disability, retirement, reduction in force, or other termination) as set forth in the 2003 Plan and in the participant's option agreement.

The exercise price for stock options will be determined by the Committee at its discretion, provided that the exercise price per share for each stock option shall be at least equal to 100% of the fair market value of one share of common stock on the date when the stock option is granted. Payment for shares of common stock on the exercise of stock options may be made in cash, by the delivery (actually or by attestation) of shares of common stock held by the participant for at least six months prior to the date of exercise (unless the Committee determines that such holding period is not necessary), or a combination of cash and shares of common stock. In the discretion of the Committee, payment may be made in accordance with a cashless exercise through a brokerage firm.

Stock Appreciation Rights. Stock appreciation rights may be granted by the Committee to a participant either separate from or in tandem with non-qualified stock options or incentive stock options. A stock appreciation right entitles the participant to receive, upon its exercise, a payment equal to (i) the excess of the fair market value of a share of common stock on the exercise date over the exercise price of the stock appreciation rights, multiplied by (ii) the number of shares of common stock with respect to which the stock appreciation right is exercised. The exercise price of a stock appreciation right is determined by the Committee, but in the case of stock appreciation rights granted in tandem with stock options, the exercise price may not be less than the exercise price of the related stock option. Upon exercise of a stock appreciation right, payment will be made in cash or shares of common stock, or a combination thereof, as determined in the discretion of the Committee.

Restricted Shares and Restricted Units. The Committee may award to a participant shares of common stock subject to specified restrictions (restricted shares). The restricted shares are subject to forfeiture and are non-transferable until the participant meets certain conditions such as continued employment over a specified forfeiture period and/or attains specified performance targets over the forfeiture period.

The Committee, in its sole discretion, may waive all restrictions with respect to a restricted share award under certain circumstances (including the death, disability, or retirement of a participant, or a material change in circumstances arising after the date of grant), subject to such terms and conditions as it deems appropriate.

The Committee may also grant units representing the right to receive shares of common stock in the future subject to the achievement of one or more goals relating to the completion of service by the participant and/or the achievement of performance or other objectives (restricted units). The Committee has the sole discretion to waive the forfeiture

period and any other conditions with respect to restricted units under appropriate circumstances (including the death, permanent disability or retirement of the participant or a material change in circumstances).

Any performance targets applicable to restricted shares or restricted units will be determined by the Committee. However, awards intended to qualify as performance-based for purposes of Section 1