



**Akorn, Inc.**

**AKRX NASDAQ**

**Pharmaceuticals - Diversified**

Market Capitalization USD:

**\$738.21 mm**

**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated.
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Rajat Rai**

**Age: 45**

**CEO Since: 2009**

	2009	2010	2011
<b>Base Salary</b>	\$0	\$0	\$0
<b>Discretionary Bonus</b>	\$0	\$405,000	\$250,000
<b>Annual Cash Incentive</b>	\$0	\$0	\$750,000
<b>Benefits and Perquisites</b>	\$333,241	\$456,109	\$500,000
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$333,241</b>	<b>\$861,109</b>	<b>\$1,500,000</b>
<b>Increase in Post-Retirement Benefits</b>	\$0	\$0	\$0
<b>Stock Option Awards</b>	\$1,740,000	\$3,160,000	\$2,962,720
<b>Stock Awards</b>	\$0	\$0	\$0
<b>TOTAL COMPENSATION</b>	<b>\$2,073,241</b>	<b>\$4,021,109</b>	<b>\$4,462,720</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$350,120	\$701,920	\$824,541
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$0
<b>Value Realized on Vesting of Stock</b>	\$0	\$0	\$0
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Proxy Date:** 10 Apr 2012

**Annual Meeting Date:** 4 May 2012

**Equity Reserves:** 19.28%

**Stock Option Run Rate:** 3.65%

### Performance Comparison

■ S&amp;P500 ■ Industry ■ AKRX



### Peer Comparisons (TRBC) =Pharmaceuticals - Diversified

#### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>AKRX</b>	<b>Akorn, Inc.</b>	<b>\$2,073,241</b>	<b>\$4,021,109</b>	<b>\$4,462,720</b>	<b>\$738,205,977</b>
CBST	Cubist Pharmaceuticals, Inc.	\$2,321,405	\$2,873,491		\$2,158,172,123
THRX	Theravance, Inc.	\$2,300,609	\$1,946,398		\$1,707,207,118
AMLN	Amylin Pharmaceuticals, Inc.	\$3,710,755	\$4,756,844		\$1,346,595,842
ARIA	ARIAD Pharmaceuticals, Inc.	\$1,201,590	\$2,131,093		\$1,165,089,677
PRX	Par Pharmaceutical Companies, Inc.	\$3,667,258	\$3,647,097		\$971,700,117
AUXL	Auxilium Pharmaceuticals, Inc.	\$2,854,826	\$3,266,922		\$718,760,936

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

#### Pay Peer Group

HiTech Pharmacal Co., Inspire Pharmaceuticals, ISTA Pharmaceuticals, Lannet Co., Obagi Medical Products, and Par Pharmaceutical

#### Performance Peer Group

NA

### COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Ronald M. Johnson	Chairman	66	Male	9	Outside
Alan I. Weinstein	Member	69	Male	3	Outside
Steven Mever	Member	55	Male	3	Outside