

March 23, 2017

The Honorable Michael S. Piwowar
Acting Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-0213

Dear Chairman Piwowar:

We are appreciative of the opportunity that you have provided for issuers to submit additional comments with respect to the “Pay Ratio Rule” pursuant to your statement titled “Reconsideration of Pay Ratio Implementation” issued on February 6, 2017. We believe, first and foremost, that this rule imposes a costly compliance burden that places us, and other issuers subject to the rule, at a competitive disadvantage to other companies, will not result in disclosure that is meaningful to investors, will cause competitive harm to the issuers subject to the rule, and will divert time and resources from the important objectives of investing in our businesses, creating jobs and serving our customers. In addition, the final rule contains several unresolved technical issues that require further consideration prior to implementation.

Pay Ratio Rule Places Certain Issuers at Competitive Disadvantage. Foreign private issuers are not required to comply with the new pay ratio rule. This approach runs counter to the noble efforts in recent years to harmonize and streamline worldwide reporting standards, such as the project to reconcile U.S. GAAP and IFRS reporting standards. At a time when the new administration is actively encouraging businesses to invest in the United States, this disparate treatment is sure to have the opposite effect of driving businesses away from the U.S. equity markets. We note that some individual commentators have stated that the pay ratio rule will not be costly to comply with, but commentators from the business community know that this is not the case. First, the rule requires a significant investment in human resource information technology systems merely to generate the basic information required to comply with the rule, especially for multinational corporations. This is the case because we have never before been required to compute compensation for non-executives in the manner required by the rule or to identify the single median employee out of our global workforce of approximately 35,000 individuals in approximately 165 countries around the globe. Many of these employees have joined Mylan over the last few years via acquisitions and, as is typical with large acquisitions, the full integration of companies from both information technology systems compatibility and

compensation harmonization perspectives can take many years. Then, we will likely be required to engage external consultants to perform the statistical sampling and other analyses required by the rule and external lawyers to draft the new required disclosures. All of this is work that some of our competitors are not required to do and is over and above the detailed disclosure of executive compensation already required by Item 402 of Regulation S-K.

Pay Ratio Rule will Cause Competitive Harm. Compensation levels within firms are generally confidential for everyone except the officers whose compensation is required to be disclosed pursuant to Item 402 of Regulation S-K. If implemented, the pay ratio rule will now provide employees with information about the compensation of the median employee within the firm. This may have two unintended and competitively harmful consequences. First, employees will now know (or be able to calculate) whether they are compensated in the top or bottom half of all employees, in some cases based on inaccurate data (as discussed below). This will inevitably lead to morale and retention issues. Second, even though the median employee data between firms will not serve as a valid comparison metric (due to calculation issues discussed below), there will inevitably be a perception that a firm with a higher paid median worker is a “better paying” firm even if this is not truly the case. This will, again, inevitably lead to employee morale and retention issues.

Issues for Global Companies. The pay ratio rule requires that non-U.S. workers be taken into account, unless the non-U.S. workforce makes up a *de minimis* percentage of the overall workforce. The final rule, without much explanation, sets the *de minimis* threshold at 5% of the overall workforce. In today’s global marketplace, the *de minimis* exception does not provide much of an exception at all. In Mylan’s case, our non-U.S. workforce comprises approximately 80% of our global workforce due to the global nature of our manufacturing and commercial platforms. The inclusion of non-U.S. workers may in many cases result in the compensation of a Chief Executive Officer located in the United States being compared to an employee in an emerging market economy, which is a meaningless apples-to-oranges comparison. While the rule does permit cost of living adjustments in certain situations, the rule does not specify what adjustments are permitted, which will likely result in issuers making inconsistent adjustments. Furthermore, even where adjustments are permitted, the rule also requires presentation of an absolute comparison of Chief Executive Officer to median employee compensation without any adjustment. The combination of these factors will result in ratios that are not meaningful to investors and an inability to make any meaningful comparison between issuers.

Issues for Companies with Temporary or Seasonal Workers. The pay ratio rule does not permit issuers to annualize the compensation of temporary or seasonal workers. For issuers with meaningful temporary or seasonal employee populations, this will skew the median employee toward the lower end of the compensation spectrum and will again result in inconsistencies between issuers depending upon the number of seasonal and temporary workers that they employ and result in a disincentive to hire these workers.

As noted above, our primary concern with the pay ratio rule is that it imposes yet another disclosure rule that is required of some issuers but not others. Again, this runs counter to the noble efforts in recent years to harmonize and streamline worldwide reporting standards, such as

the project to reconcile U.S. GAAP and IFRS reporting standards. Furthermore, as noted above, there are technical issues with the calculation of the ratio that require further consideration. The combination of these two factors means that we will be required to dedicate significant time and resources to providing new disclosure to investors that may not be particularly meaningful to their investment decisions and that may be inaccurate and/or misleading.

Again, we thank you for providing us with the opportunity to submit additional comments as the implementation of the pay ratio rule is considered further.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Kenneth S. Parks", with a stylized flourish at the end.

Kenneth S. Parks
Chief Financial Officer