

ACORDA THERAPEUTICS INC  
Form DEF 14A  
April 19, 2013

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No.        )

Filed by the Registrant   
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- Preliminary Proxy Statement  
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- Definitive Proxy Statement
- Definitive Additional Materials
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ACORDA THERAPEUTICS, INC.  
(Name of Registrant as Specified In Its Charter)

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

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ACORDA THERAPEUTICS, INC.  
420 Saw Mill River Road, Ardsley, New York 10502

April 19, 2013

Dear Stockholder:

You are cordially invited to attend the 2013 Annual Meeting of Stockholders of Acorda Therapeutics, Inc., which will be held at the Residence Inn by Marriott, 7 Executive Boulevard, Yonkers, New York 10701, commencing at 10:00 a.m., local time, on May 30, 2013.

We are proceeding under the Securities and Exchange Commission rule that allows us to furnish proxy materials to our stockholders over the Internet, although we may choose to send a full set of proxy materials to some of our stockholders. We believe that this electronic proxy process expedites stockholders' receipt of proxy materials and lowers the costs and reduces the environmental impact of our Annual Meeting.

On or about April 19, 2013, we will commence sending a Notice of Annual Meeting and Internet Availability to our stockholders along with instructions on how to access our 2013 Proxy Statement and Annual Report and authorize a proxy to vote your shares online. The Annual Report is not to be regarded as proxy solicitation material.

Matters to be considered and voted on at the 2013 Annual Meeting are set forth in the Proxy Statement. You are encouraged to carefully review the Proxy Statement and attend the Annual Meeting in person. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. If you cannot attend the Annual Meeting in person, please authorize a proxy over the Internet or by telephone as described in the enclosed materials so that your shares will be represented at the Annual Meeting. If you receive a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. If you attend the Annual Meeting and wish to change your proxy vote, you may do so by voting in person at the Annual Meeting.

We look forward to meeting you on May 30, 2013 and discussing with you the business of our company.

Sincerely,

Ron Cohen, M.D.  
President and Chief Executive Officer

ACORDA THERAPEUTICS, INC.  
420 Saw Mill River Road, Ardsley, New York 10502

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time and Date:	10:00 a.m., local time, on May 30, 2013
Place:	Residence Inn by Marriott, 7 Executive Boulevard, Yonkers, New York 10701
Items of Business:	(1) To elect three Class II directors for a term expiring on the date of our 2016 Annual Meeting of Stockholders, or at such time as their successors have been duly elected and qualified.
	(2) To ratify the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2013.
	(3) An advisory vote to approve Named Executive Officer compensation.
	(4) To consider such other business as may properly come before the 2013 Annual Meeting of Stockholders (the "2013 Annual Meeting").
Adjournments and Postponements:	Any action on the items of business described above may be considered at the 2013 Annual Meeting at the time and on the date specified above or at any time and date to which the 2013 Annual Meeting may be properly adjourned or postponed.
Record Date:	You are entitled to vote only if you were a stockholder of Acorda Therapeutics as of the close of business on April 2, 2013.
Meeting Admission:	You are entitled to attend the 2013 Annual Meeting only if you were an Acorda Therapeutics stockholder as of the close of business on the record date or hold a valid proxy for the 2013 Annual Meeting. You should be prepared to present photo identification for admittance. If you are not a stockholder of record but hold shares through a broker or nominee (i.e., in street name), you should provide proof of beneficial ownership as of the record date, such as your most recent account statement dated prior to April 2, 2013, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. If, upon request, you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the 2013 Annual Meeting.
Voting:	Your vote is very important. Whether or not you plan to attend the 2013 Annual Meeting, we encourage you to read this Proxy Statement and submit your proxy or voting instructions as soon as possible. If you received your proxy materials electronically, you may submit your proxy over the internet or by telephone by following the instructions provided in the Notice of Annual Meeting and Internet Availability. If you receive your proxy materials by mail, you may submit your proxy by completing, signing, dating and returning your proxy card or voting instructions card in the pre-addressed envelope provided. For specific instructions on how to vote, please refer to the "Questions and Answers" section beginning on page 1 of the Proxy Statement.

By the Order of the Board of Directors

Jane Wasman  
President, International, General Counsel and

Corporate Secretary

April 19, 2013

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## TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE 2013 ANNUAL MEETING OF STOCKHOLDERS	1
PROPOSAL ONE: ELECTION OF DIRECTORS	6
Recommendation of the Board of Directors	7
Nominees Standing for Election for the Term Expiring in 2016—Class II Directors	7
Directors Whose Terms Expire in 2015—Class I Directors	8
Directors Whose Terms Expire in 2014—Class III Directors	8
Board Leadership Structure	9
Risk Oversight	10
Director Independence	10
Attendance at Board, Committee and Stockholder Meetings	10
Committees of the Board of Directors	11
Director Qualifications and Director Nomination Process	13
Stockholder Communication with the Board of Directors	15
Board and Committee Fees	15
2012 Non-Employee Director Compensation	16
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	17
INFORMATION CONCERNING EXECUTIVE OFFICERS	19
COMPENSATION COMMITTEE REPORT	20
COMPENSATION DISCUSSION AND ANALYSIS	20
Our Company	20
Our Business Values	21
Compensation Philosophy and Objectives	21
Setting Executive Compensation	22
Our CEO's Mission and Leadership	23
Elements of Compensation	24

Tax and Accounting Considerations	30
<b>EXECUTIVE COMPENSATION</b>	<b>30</b>
2012 Summary Compensation Table	30
Stock Option Information for the Year Ended December 31, 2012	31
2012 Grants of Plan-Based Awards Table	31
Outstanding Equity Awards at December 31, 2012	32
2012 Option Exercises and Stock Vested	34
Named Executive Officer Employment Agreements	34
Named Executive Officer Severance Agreements	35
Potential Payments Upon Termination or Change in Control	38
Other Compensation	39
Compensation and Risk	39
Compensation Committee Interlocks and Insider Participation	39
Section 16(a) Beneficial Ownership Reporting Compliance	39

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	39
AUDIT COMMITTEE REPORT	40
PROPOSAL TWO: RATIFICATION OF INDEPENDENT AUDITORS	40
Ratification of Appointment of Ernst & Young LLP	40
Recommendation of the Board of Directors	41
Audit and Non-Audit Fees	41
Pre-approval Policies and Procedures	41
PROPOSAL THREE: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION	41
Recommendation of the Board of Directors	42
OTHER BUSINESS	42
ADDITIONAL INFORMATION	43
Securities Authorized for Issuance under Equity Compensation Plans	43
Householding	43
Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders	44
Annual Report	44
Code of Ethics	44



ACORDA THERAPEUTICS, INC.  
PROXY STATEMENT FOR THE  
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 30, 2013

QUESTIONS AND ANSWERS ABOUT  
THE PROXY MATERIALS AND THE 2013 ANNUAL MEETING OF STOCKHOLDERS

Q: Why am I receiving these materials?

A: The Board of Directors (the “Board”) of Acorda Therapeutics, Inc., a Delaware corporation (which may be referred to in this proxy statement as “we,” “us,” “our,” the “Company” or “Acorda Therapeutics”), is providing these proxy materials to you in connection with our 2013 Annual Meeting of Stockholders (the “2013 Annual Meeting”), which will take place on May 30, 2013. As a stockholder on the Record Date (as defined below), you are invited to attend the 2013 Annual Meeting and are entitled and requested to vote on the items of business described in this proxy statement (the “Proxy Statement”).

Q: How do I request a paper copy of this Proxy Statement if I have not received one?

A: As permitted by the Securities and Exchange Commission (the “SEC”), we are delivering our Proxy Statement and Annual Report via the Internet, although we may choose to send a full set of proxy materials to some of our stockholders. The Notice of Annual Meeting and Internet Availability contains instructions on how to access our Proxy Statement and Annual Report and authorize a proxy to vote your shares online or by telephone. If you wish to request a printed or e-mail copy of the Proxy Statement and Annual Report, you should follow the instructions included in the Notice of Annual Meeting and Internet Availability.

Q: What information is contained in this Proxy Statement?

A: The information included in this Proxy Statement relates to the proposals to be voted on at the 2013 Annual Meeting, the voting process, the compensation of directors and the most highly paid executive officers, beneficial ownership of the Company’s common stock, and certain other required information.

Q: What items of business will be voted on at the 2013 Annual Meeting?

A: The items of business scheduled to be voted on at the 2013 Annual Meeting are:

• The election of three Class II directors for a term expiring on the date of our 2016 Annual Meeting of Stockholders, or at such time as their successors have been duly elected and qualified.

• The ratification of the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2013 (the “2013 Fiscal Year”).

- An advisory vote to approve Named Executive Officer compensation, referred to as a “say-on-pay” vote.

We will also consider other business that properly comes before the 2013 Annual Meeting.

Q: How does the Board recommend that I vote?

A: Our Board recommends that you:

- Vote your shares “FOR” the nominees to the Board.

•Vote your shares “FOR” the ratification of the appointment of Ernst & Young LLP as our independent auditors for the 2013 fiscal year.

•Vote your shares “FOR” the approval of our Named Executive Officer compensation on the advisory say-on-pay vote.

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Q: Who is entitled to vote at the 2013 Annual Meeting?

A: Only stockholders of record at the close of business on April 2, 2013 are entitled to vote at the 2013 Annual Meeting. We refer to this date as our "Record Date."

You may vote all shares of Acorda Therapeutics common stock you own as of the Record Date, including (1) shares that are held directly in your name as the stockholder of record, and (2) shares held for you as the beneficial owner through a broker, trustee or other nominee, such as a bank.

On the Record Date, we had 40,546,952 shares of common stock issued and outstanding.

Q: What are the voting rights of the Company's holders of common stock?

A: Each outstanding share of the Company's common stock owned as of the Record Date will be entitled to one vote on each matter considered at the meeting.

Q: What is the difference between holding shares as a stockholder of record and holding shares as a beneficial owner?

A: Most of our stockholders hold their shares through a broker or other nominee rather than directly in their own name. We have summarized below some of the distinctions between being a stockholder of record and being a beneficial owner:

#### Stockholder of Record

If your shares are registered directly in your name, or as a joint holder, with our transfer agent, Registrar and Transfer Company, you are considered, with respect to those shares, the stockholder of record, and either written proxy materials or a Notice of Annual Meeting and Internet Availability are being sent to you directly by Acorda Therapeutics. As a stockholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the 2013 Annual Meeting.

#### Beneficial Owner

If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and the Notice of Annual Meeting and Internet Availability, together with a voting instruction card, are being forwarded to you by your broker or other nominee. As a beneficial owner, you have the right to direct your broker, trustee or nominee how to vote and are also invited to attend the 2013 Annual Meeting.

Since a beneficial owner is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the 2013 Annual Meeting. Your broker, trustee or nominee is responsible for providing voting instructions for you to use in directing the broker, trustee or nominee how to vote your shares.

Q: How can I attend the 2013 Annual Meeting?

A: You are entitled to attend the 2013 Annual Meeting only if you were a stockholder of record of our common stock as of the close of business on the Record Date or you hold a valid proxy for the 2013 Annual Meeting. You should be prepared to present photo identification for admittance. A list of stockholders eligible to vote at the 2013 Annual Meeting will be available for inspection at the 2013 Annual Meeting and for a period of ten days prior to the 2013

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Annual Meeting, during regular business hours, at our principal executive office, which is located at 420 Saw Mill River Road, Ardsley, New York 10502.

If you are not a stockholder of record but hold shares through a broker or nominee (i.e., in street name), you should provide proof of beneficial ownership on the Record Date, such as your most recent account statement dated as of or prior to April 2, 2013, a copy of the voting instruction card provided by your broker, trustee or nominee, or other similar evidence of ownership. If, upon request, you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the 2013 Annual Meeting.

The 2013 Annual Meeting will begin promptly at 10:00 a.m., local time. Check-in will begin at 9:30 a.m., local time, and you should allow ample time for the check-in procedures.

Even if you plan to attend the 2013 Annual Meeting, we recommend that you also submit your proxy or voting instructions as described above so that your vote will be counted if you later decide not to attend the 2013 Annual Meeting.

Q: How can I vote?

A: Whether you hold shares directly as a stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the 2013 Annual Meeting.

Internet: By accessing the Internet at [www.proxyvote.com](http://www.proxyvote.com) and following the instructions on the proxy card.

Telephone: By calling toll-free 1 (800) 690-6903 and following the instructions on the proxy card.

Mail: If you receive your proxy materials by mail, by signing, dating, and mailing the enclosed proxy card.

If you authorize a proxy to vote your shares over the Internet, you should not return your proxy card. The Notice of Annual Meeting and Internet Availability is not a proxy card or ballot.

Q: How are my votes cast when I return a proxy card?

A: When you properly authorize a proxy over the Internet, by telephone or by signing a written proxy, you appoint Dr. Ron Cohen, our President and Chief Executive Officer, and Jane Wasman, our President, International, General Counsel and Corporate Secretary, as your representatives at the 2013 Annual Meeting. Either Dr. Cohen or Ms. Wasman will vote your shares at the 2013 Annual Meeting as you have instructed them in the proxy. Dr. Cohen and Ms. Wasman are also entitled to appoint substitutes to act on their behalf.

Q: Can I change my vote?

A: Yes. You may change your vote at any time prior to the vote at the 2013 Annual Meeting. If you are the stockholder of record, you may change your vote by granting a properly authorized new proxy with a later date by mail, telephone or over the Internet (which automatically revokes the earlier proxy), by providing a written notice of revocation to our Corporate Secretary prior to your shares being voted, or by attending the 2013 Annual Meeting and voting in person. For your written notice of revocation to be effective, it must be received by our Corporate Secretary at our principal executive offices no later than May 29, 2013. Attendance at the 2013 Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically so request or you cast a new vote. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, trustee or nominee, or, if you have obtained a legal proxy from your broker, trustee or nominee giving you the right to vote your shares, by attending the 2013 Annual Meeting and voting in person.

Q: Who can help answer my questions?

A: If you have any questions about the 2013 Annual Meeting or how to vote or revoke your proxy, you should contact our communications department at (914) 347-4300. You may also contact them if you need additional copies of this Proxy Statement or voting materials.

Q: Is my vote confidential?

A: Proxies, ballots and voting instructions and tabulations that identify individual stockholders will be tabulated by Broadridge Financial Solutions, Inc. ("Broadridge") and will be handled in a manner that protects your voting

privacy. Your vote will not be disclosed either within Acorda Therapeutics or to third parties, except as necessary to meet applicable legal requirements and to allow for the tabulation of votes and certification of the vote.

Q: How many shares must be present or represented to conduct business at the 2013 Annual Meeting?

A: The quorum requirement for holding the 2013 Annual Meeting and transacting business is that holders of a majority of shares of Acorda Therapeutics' common stock entitled to vote must be present in person or represented by proxy at the 2013 Annual Meeting. Both abstentions and broker non-votes, which are explained below under "what is a broker non vote?", are counted for the purpose of determining the presence of a quorum.

Q: What if a quorum is not present at the 2013 Annual Meeting?

A: If a quorum is not present or represented at the 2013 Annual Meeting, the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or if no stockholder is present, any officer entitled to preside or to act as secretary of such meeting, may adjourn the 2013 Annual Meeting until a quorum is present or represented. The time and place of the adjourned meeting will be announced at the time the adjournment is taken and no other notice will be given, unless the adjournment is for 30 or more days from the date of the original meeting or a new record date is set for the adjourned meeting.

Q: What vote is required to approve each of the proposals and how are votes counted?

A: In the election of the directors, you may vote "FOR ALL" nominees, you may "WITHHOLD ALL" authority to vote for the nominees or you may vote "FOR ALL EXCEPT" which allows you to withhold the authority to vote with respect to a particular nominee. A properly executed proxy marked "FOR ALL EXCEPT" will not be voted with respect to the nominee that you indicate, although it will be counted for purposes of determining whether there is a quorum. The affirmative vote of a plurality of the shares of common stock present in person or represented by proxy and entitled to vote at the 2013 Annual Meeting is required to elect the three nominees to the Board. Accordingly, the nominees receiving the highest number of "FOR" votes at the 2013 Annual Meeting will be elected as directors. However, our Bylaws incorporate a majority voting standard in uncontested elections of directors. This is an uncontested election of directors because the number of director nominees does not exceed the number of directors to be elected. As further described below under Proposal One, a director who is elected by a plurality vote in an uncontested election but who receives a greater number of "WITHHELD" votes than "FOR" votes must tender his or her resignation to the Board, which will consider whether to accept the resignation. Abstentions and broker-non-votes are not considered votes "FOR" any candidate or as a "WITHHELD" vote and therefore will not affect on the outcome of this proposal.

For the ratification of the appointment of Ernst & Young LLP as our independent auditors for the 2013 fiscal year, and for the advisory say-on-pay vote to approve our Named Executive Officer compensation, you may vote "FOR" or "AGAINST" these proposals or you may "ABSTAIN" from the vote. The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and voting at the 2013 Annual Meeting is required for approval of these matters. Because abstentions and broker-non-votes are not considered votes "FOR" or "AGAINST" a proposal, they will have no effect on the outcome of these proposals.

If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If no instructions are specified, your shares will be voted in accordance with the recommendations of the Board as described above under "How does the Board recommend that I vote?" with respect to the three proposals described in this Proxy Statement and in the discretion of the proxy holders on any other matters that properly come before the 2013 Annual Meeting.

Q: What is a broker non-vote?

A: If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and such instructions are not given. Under the rules that govern brokers, brokers have the discretion to vote on routine matters, but not on non-routine matters. The ratification of the appointment of the Company's independent auditors is a matter considered routine under applicable rules, and your broker is allowed to vote your shares on your behalf in its discretion without instructions from you. Non-routine matters include the election of directors and the advisory say-on-pay

vote. Accordingly, if you hold your shares in street name and you want your shares voted on these matters, it is critical that you provide voting instructions to your broker. We encourage you to provide voting instructions to the organization that holds your shares in order to minimize the number of broker non-votes.

In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal and they are also not considered affirmative or negative votes on any proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the 2013 Annual Meeting, assuming that a quorum is obtained.



Q: What happens if a nominee is unable to stand for election?

A: If a nominee is unable to stand for election, the Board may either reduce the number of directors to be elected or substitute a nominee. If a substitute nominee is selected, the proxy holders, Dr. Cohen and Ms. Wasman, will vote your shares for the substitute nominee, unless you have withheld authority.

Q: What happens if additional matters are presented at the 2013 Annual Meeting?

A: Other than the three items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the 2013 Annual Meeting. If you grant a proxy, the persons named as proxyholders, Dr. Cohen and Ms. Wasman, will have the discretion to vote your shares on any additional matters properly presented for a vote at the 2013 Annual Meeting.

Q: Who will serve as inspector of elections?

A: Broadridge will tabulate votes and a representative of Broadridge will act as inspector of elections.

Q: What does it mean if I receive more than one Notice of Annual Meeting and Internet Availability and/or set of written proxy materials?

A: If you receive more than one Notice of Annual Meeting and Internet Availability, and/or more than one set of written proxy materials, it means your shares are not all registered or held in the same way (for example, some are registered in your name and others are registered jointly with a spouse) and are in more than one account. In order to ensure that you vote all of the shares that you are entitled to vote, you should authorize a proxy to vote all proxy cards to which you are provided access. Similarly, for all shares you hold in street name, you should follow the voting instructions provided by each broker, trustee or nominee for the shares held on your behalf by that broker, trustee or nominee.

Q: Who will bear the cost of soliciting votes for the 2013 Annual Meeting?

A: Acorda Therapeutics is making this solicitation and will pay the entire cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. In addition to the mailing of these proxy materials, the solicitation of proxies or votes may be made in person, by telephone or by electronic communication by our directors, officers and employees. These individuals will not receive any additional compensation for such solicitation activities. Upon request, we will also reimburse brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy materials to stockholders.

Q: Where can I find the voting results of the 2013 Annual Meeting?

A: We intend to announce preliminary voting results at the 2013 Annual Meeting and after the meeting we will publish final results in a Current Report on Form 8-K.

Q: What if I have questions for Acorda Therapeutics' transfer agent?

A: Please contact our transfer agent, at the phone number or address listed below, if you are a registered stockholder and have questions concerning stock certificates, transfers or ownership or other matters pertaining to your stock account.

Registrar and Transfer Company  
10 Commerce Drive  
Cranford, NJ 07016  
Telephone: (800) 368-5948

Q: What is the deadline for submitting proposals for inclusion in Acorda Therapeutics' proxy statement for the 2014 Annual Meeting of Stockholders?

A: Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, stockholders may present proper proposals for inclusion in our proxy statement relating to, and for consideration at, the 2014 Annual Meeting of

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Stockholders, by submitting their proposals to us no later than the 120th day prior to the anniversary of the date of these proxy materials, December 20, 2013. Any proposal so submitted must comply with the rules of the Securities and Exchange Commission.

For more information on how to submit proposals, see the section titled “Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders” at the end of this Proxy Statement.

Q: What is the deadline for submitting proposals to be presented on the floor of the 2014 Annual Meeting of Stockholders and not in Acorda Therapeutics’ proxy statement or to nominate individuals to serve as directors?

A: Under our Bylaws, a stockholder may nominate a director or submit a proposal for consideration at an annual meeting by giving timely notice to Acorda Therapeutics. To be timely, that notice must contain information specified in our Bylaws and be received by us at our principal executive office at 420 Saw Mill River Road, Ardsley, New York 10502, not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year’s annual meeting. If, however, the date of the annual meeting is advanced by more than 20 days, or delayed by more than 60 days, from the first anniversary of the preceding year’s annual meeting, a stockholder’s notice must be received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting and the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such annual meeting was made. Therefore, we must receive your nomination or proposal no sooner than January 30, 2014 and no later than March 1, 2014, unless the date of the 2014 Annual Meeting is advanced by more than 20 days, or delayed by more than 60 days, from the anniversary date of the 2013 Annual Meeting.

For more information on how to submit proposals, see the section titled “Requirements, Including Deadlines, for Submission of Proxy Proposals, Nomination of Directors and Other Business of Stockholders” at the end of this Proxy Statement. You may contact the Corporate Secretary of Acorda Therapeutics, at our principal executive office, for a copy of the relevant provisions of our Bylaws regarding the requirements for making stockholder proposals and nominating director candidates.

#### PROPOSAL ONE: ELECTION OF DIRECTORS

Our Board currently consists of eight members and is divided into three classes. Each class holds office for a term of three years. These classes currently consist of authorized members in each of Classes I, II and III, whose terms expire at the 2015, 2013, and 2014 Annual Meetings, respectively.

This year’s nominees for director, Peder K. Jensen, M.D., John P. Kelley, and Sandra Panem, Ph.D., have been nominated by the Board for a term of three years expiring on the date of our 2016 Annual Meeting of Stockholders or at such time as their respective successors are duly elected and qualified. Dr. Jensen, Mr. Kelley, and Dr. Panem are currently directors of the Company. Proxies cannot be voted for a greater number of persons than the number of nominees named above.

If any of those candidates should become unavailable for election, the shares represented by the proxies solicited for the 2013 Annual Meeting will be voted for such substitute nominee as may be determined by the Board. The Board has no reason to expect that Dr. Jensen, Mr. Kelley, and Dr. Panem will not be a candidate for director at the 2013 Annual Meeting. In voting for directors, for each share of common stock held as of the Record Date, stockholders are entitled to cast one vote in favor of the candidate, or to withhold authority from voting for the candidate. Unless a stockholder requests that voting of the proxy be withheld for the nominee for director by so directing on the proxy

card, the shares represented by the accompanying proxy will be voted "FOR" the election of Dr. Jensen, Mr. Kelley, and Dr. Panem.

The election of a director requires the affirmative vote of a plurality of the shares of common stock present or represented and entitled to vote at the 2013 Annual Meeting. However, our Bylaws incorporate a majority voting standard in uncontested elections of directors. This is an uncontested election of directors because the number of nominees does not exceed the number of directors to be elected. Under our amended Bylaws, in the case of uncontested elections, a nominee who is elected but receives a greater number of "WITHHELD" votes than "FOR" votes will be required to tender his or her resignation following certification of the stockholder vote. Promptly thereafter, the Nominations and Governance Committee of the Board will consider the resignation and range of possible responses and make a recommendation to the Board, which will then act on the recommendation within 90 days after the certification of the stockholder vote. Nominees who tender their resignation will not be permitted to participate in the Nominations and Governance Committee or Board discussions regarding the stockholder vote or the resignation. We will disclose the Board's decision-making process and decision

regarding whether to accept the nominee's resignation (and the reasons for rejecting a resignation, if applicable) in a Current Report on Form 8-K, promptly following such decision.

Certain information concerning the nominees and those directors whose terms of office will continue following the 2013 Annual Meeting is set forth below.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR PROPOSAL ONE.

The following table sets forth information as of April 19, 2013 with respect to our directors and nominees for election at the 2013 Annual Meeting.

Name	Age	Position(s)
Ron Cohen, M.D.	57	President, Chief Executive Officer, and Director
Barry Greene (1) (3)	49	Director
Peder K. Jensen, M.D. (1) (3)	58	Director and Nominee
John P. Kelley (2) (3)	59	Director and Nominee
Sandra Panem, Ph.D. (1) (4)	66	Director and Nominee
Lorin J. Randall (2) (3) (4)	69	Director
Steven M. Rauscher (1)	59	Director
Ian Smith (2) (4)	47	Director

(1) Member of our Compliance Committee.

(2) Member of our Audit Committee.

(3) Member of our Compensation Committee.

(4) Member of our Nominations and Governance Committee.

#### Nominees Standing for Election for the Term Expiring in 2016—Class II Directors

Peder K. Jensen, M.D., has been a member of our Board of Directors since April 2011. Dr. Jensen is currently president of Bay Way Consultants, LLC, a consulting firm founded by Dr. Jensen in 2010 that advises pharmaceutical and biotechnology companies. Dr. Jensen's experience includes over 20 years with Schering-Plough Corporation, a global pharmaceutical company, and then Merck & Co., Inc. after the merger of Schering-Plough with Merck in 2009. During his tenure at Schering-Plough/Merck, Dr. Jensen held a number of global senior research and development positions, including Vice President Clinical Research, SPRI, Executive Vice President Worldwide Drug Development, SPRI, and most recently Corporate Senior Vice President, and General Manager, R&D for Japan and Asia/Pacific from 2006 to 2010. Dr. Jensen has more than 24 years of global drug development experience across a variety of therapeutic areas, including neurology, cardiovascular, anti-infective, oncology and immunology. Over the course of his career, Dr. Jensen has been responsible for more than 40 new drug approvals worldwide, including in the U.S., Europe and Japan. Dr. Jensen also currently serves on the boards of directors of BioCryst Pharmaceuticals, Inc.

and FivePrime Therapeutics. Dr. Jensen received his M.D. from the University of Copenhagen. Dr. Jensen's extensive global pharmaceutical experience, combined with his specific knowledge in developing new and innovative medical treatments in many different therapeutic areas, including neurology, makes him well positioned to provide advice and guidance to Acorda on its research and development programs.

John P. Kelley has been a member of our Board of Directors since December 2008. Mr. Kelley is currently President, Chief Executive Officer, and a director of Phyxius Pharma, Inc., a privately-held development stage pharmaceutical company co-founded by Mr. Kelley in 2011 focused on developing products for use in acute care settings. Mr. Kelley was the President and Chief Operating Officer of The Medicines Company, a pharmaceutical company providing acute care hospital products worldwide, from 2004 to 2009. He also served on The Medicines Company's board of directors from 2005 to 2009. From 2000 to 2004, Mr. Kelley held a series of positions at Aventis, a global pharmaceutical company, including Senior Vice President, Global Marketing and Medical, where he was accountable for worldwide brand management. Prior to the formation of Aventis, he held a series of positions at Hoechst Marion Roussel, Inc., a life sciences

firm focused on pharmaceuticals, including, from 1998-1999, Vice President, Commercial Director, U.S. and, from 1995 to 1998, Vice President of Marketing. Within the last five years, Mr. Kelley previously served on the board of directors of The Medicines Company. Mr. Kelley received a B.A. from Wilkes University and an M.B.A. from Rockhurst University. Mr. Kelley's extensive knowledge of the pharmaceutical industry as well as his operations and marketing experience make him well-positioned to provide advice and guidance to Acorda at this stage of the Company's development. The Board has determined that Mr. Kelley qualifies as an audit committee financial expert. Based on his public company and broad corporate experience, Mr. Kelley serves as Chair of our Compensation Committee.

Sandra Panem, Ph.D., has been a member of our Board since 1998. She is currently a partner at Cross Atlantic Partners, which she joined in 2000. From 1994 to 1999, Dr. Panem was President of Vector Fund Management, the then asset management affiliate of Vector Securities International. Prior thereto, Dr. Panem served as Vice President and Portfolio Manager for the Oppenheimer Global BioTech Fund, a mutual fund that invested in public and private biotechnology companies. Previously, she was Vice President at Salomon Brothers Venture Capital, a fund focused on early and later-stage life sciences and technology investments. Dr. Panem was also a Science and Public Policy Fellow in economic studies at the Brookings Institution, and an Assistant Professor of Pathology at the University of Chicago. She received a B.S. in biochemistry and a Ph.D. in microbiology from the University of Chicago. Dr. Panem currently serves on the boards of directors of Labcyte, Inc., GenomeQuest, Inc., and MDx Medical, Inc. In addition, within the last five years, Dr. Panem previously served on the board of directors of Martek Biosciences Corp. Dr. Panem's experience investing in life sciences companies, and her long-standing relationship with the Company as a Board representative of one of its earliest investors, provides historical perspective on Acorda Therapeutics and the life sciences industry. Based on her broad industry and corporate experience, Dr. Panem serves as Chair of our Nominations and Governance Committee.

#### Directors Whose Terms Expire in 2015—Class I Directors

Barry Greene has been a member of our Board since January 2007. Mr. Greene currently serves as President and Chief Operating Officer of Alnylam Pharmaceuticals, Inc. Mr. Greene joined Alnylam in September 2003, bringing over 15 years of experience in the healthcare industry and in consulting. Prior to Alnylam, he was General Manager of Oncology at Millennium Pharmaceuticals, Inc., where he led the company's global strategy and execution for its oncology business, including strategic business direction and execution, culminating in the successful approval and launch of VELCADE (bortezomib) in mid-2003. Prior to joining Millennium in February 2001, Mr. Greene served as Executive Vice President and Chief Business Officer for Mediconsult.com. Prior to Mediconsult.com, Mr. Greene's past experiences included being Vice President of Marketing and Customer Services for AstraZeneca (formerly AstraMerck); Vice President Strategic Integration with responsibility for the AstraZeneca North American post-merger integration; and, partner of Andersen Consulting, responsible for the pharmaceutical/biotechnology marketing and sales practice. Mr. Greene previously was a member of the boards of directors of Regulus Therapeutics, LLC and Intercept Pharmaceuticals, Inc. Mr. Greene received his B.S. in Industrial Engineering from the University of Pittsburgh and serves as a Senior Scholar at Duke University, Fuqua School of Business. Mr. Greene brings to our Board extensive experience in the healthcare industry as well as practical experience guiding new drugs through the commercialization process.

Ian Smith has been a member of our Board since February 2007. Mr. Smith currently serves as Executive Vice President and Chief Financial Officer of Vertex Pharmaceuticals, Inc., a position he has held since February 2006. From November 2003 to February 2006, he was Senior Vice President and Chief Financial Officer, and from October 2001 to November 2003, he served as Vice President and Chief Financial Officer, at Vertex. From 1999 to 2001, Mr. Smith served as a partner in the Life Science and Technology Practice Group of Ernst & Young LLP. Mr. Smith initially joined Ernst & Young's U.K. firm in 1987, and then joined its Boston office in 1995. Mr. Smith currently is a member of the boards of directors of Infinity Pharmaceuticals, Inc. and TolerRx Inc. In addition, within the last five

years, he previously served on the boards of directors of Predix Pharmaceuticals, Inc. and Epix Pharmaceuticals, Inc. Mr. Smith holds a B.A. in accounting and finance from Manchester Metropolitan University, U.K., is a member of the American Institute of Certified Public Accountants and is a Chartered Accountant of England and Wales. Mr. Smith has extensive global financial and accounting experience and possesses an understanding of financial matters and the preparation and analysis of financial statements. The Board has determined that Mr. Smith qualifies as an audit committee financial expert.

Directors Whose Terms Expire in 2014—Class III Directors

Ron Cohen, M.D., has served as our President and Chief Executive Officer since he founded the Company in 1995. Dr. Cohen previously was a principal in the startup of Advanced Tissue Sciences, Inc., a biotechnology company engaged in the growth of human organ tissues for transplantation. Dr. Cohen received his B.A. with honors in Psychology from Princeton University, and his M.D. from the Columbia College of Physicians & Surgeons. He completed his residency in Internal Medicine at the University of Virginia Medical Center, and is Board Certified in Internal Medicine. Dr. Cohen



currently serves on the board of directors of Dyax Corp. Dr. Cohen previously was a Director and Chairman of the New York Biotechnology Association. He currently serves as a member of the Executive Committee and as the Chairman of the Emerging Company Section of the board of the Biotechnology Industry Organization (BIO). He also serves as a member of the Columbia-Presbyterian Health Sciences Advisory Council and was awarded Columbia University's Alumni Medal for Distinguished Service. In 2010 Dr. Cohen was named NeuroInvestment's CEO of the Year and in 2009 he was recognized by PharmaVoice Magazine as one of the 100 Most Inspirational People in the Biopharmaceutical Industry. Dr. Cohen is a recipient of the Ernst & Young Entrepreneur of the Year Award for the New York Metropolitan Region, and an inductee into the National Spinal Cord Injury Association's "Spinal Cord Injury Hall of Fame." In 2010, Dr. Cohen was recognized by the New York Biotechnology Association as the NYBA "The Cure Starts Here" Business Leader of the Year. Dr. Cohen is the principal strategist in the Company's commitment to being a fully-integrated biopharmaceutical company that is a leading innovator in neurology. His extensive knowledge of the Company and its history provides our Board with valuable perspectives to advance Acorda Therapeutics' business and the interests of our stockholders.

Lorin J. Randall has been a member of our Board since January 2006. Mr. Randall, a financial consultant, was Senior Vice President and Chief Financial Officer of Eximias Pharmaceutical Corporation, a development--stage drug development company, from 2004 to 2006. From 2002 to 2004, Mr. Randall served as Senior Vice President and Chief Financial Officer of i-STAT Corporation, a publicly-traded manufacturer of medical diagnostic devices that was acquired by Abbott Laboratories in 2004. From 1995 to 2001, Mr. Randall was Vice President and Chief Financial Officer of CFM Technologies, Inc., a publicly-traded manufacturer of semiconductor manufacturing equipment. Mr. Randall previously served on the board of Quad Systems Corporation, a publicly-traded manufacturer of electronics manufacturing equipment where he served as Chairman of the Audit Committee. He currently serves on the boards of directors of Athersys, Inc., Nanosphere, Inc., and Tengion Inc.. In addition, within the last five years, he previously served on the boards of directors of Opexa Therapeutics, Inc. and MotoLogic, Inc. Mr. Randall received a B.S. in accounting from The Pennsylvania State University and an M.B.A. from Northeastern University. As a former Chief Financial Officer of a number of publicly-traded companies, Mr. Randall possesses financial acumen acquired through working experience, including an understanding of financial matters and the preparation and analysis of financial statements. The Board has determined that Mr. Randall qualifies as an audit committee financial expert. Based on his extensive financial experience, Mr. Randall serves as Chair of our Audit Committee.

Steven M. Rauscher has served on our Board since March 2005. He is Founder & Principal of BioPharm Physicians, LLC, a company formed in 2010 to provide consulting services to physicians and companies in the biopharmaceutical industry. Previously, he was President and Chief Executive Officer of Oscient Pharmaceuticals Corporation, a commercial stage biopharmaceutical company, from 2000 to 2009. He joined Oscient in 2000 having served as a member of the Board of Directors since 1993. Previously, Mr. Rauscher was Chief Executive Officer of AmericasDoctor, a company providing clinical research services to the pharmaceutical industry. Prior to AmericasDoctor, he held a number of leadership positions at Abbott Laboratories, including Vice President of Corporate Licensing, Vice President of Business Development, International Division and Vice President of Sales, U.S. Pharmaceuticals. Within the last five years, Mr. Rauscher previously served on the board of directors of Oscient Pharmaceuticals Corporation. Mr. Rauscher received a B.S. from Indiana University and an M.B.A. from the University of Chicago. Having served as a Chief Executive Officer of a commercial stage biopharmaceutical company as well as in other executive roles in a variety of companies in our industry, Mr. Rauscher brings to our Board leadership skills and expertise in managing the challenges of a biopharmaceutical company. Based on his management and operational experience and expertise in the pharmaceutical industry, Mr. Rauscher serves as the Chair of our Compliance Committee and oversees the non-financial governance and risk management processes of the Company.

#### Board Leadership Structure

The Board has not appointed any director to the position of Chair of the Board nor has it appointed a lead independent director. However, Dr. Cohen, who is the President and Chief Executive Officer of the Company, serves as the acting chair at Board meetings and is expected to serve as the chair at the Annual Meeting. For the reasons discussed below, after a comprehensive review of its leadership structure in 2012, the Board of Directors continues to believe this is the most appropriate leadership structure for our Company as it seeks to build shareholder value by continuing to grow as a fully-integrated biopharmaceutical company.

Dr. Cohen's role in chairing the meetings of the Board allows the Board to act efficiently and effectively to best serve the interests of the Company's stockholders and the Company as a whole. The Board believes that Dr. Cohen, in his capacity as President and Chief Executive Officer, serves as an effective bridge between the Board and management, providing the Board with a thorough understanding of the Company and its business and fostering an open dialogue between

the Board and senior management. In addition, the Board believes that Dr. Cohen has been able to provide the Company with leadership for executing strategic initiatives and meeting challenges.

The Board does not believe at this time that the Company's leadership structure would be enhanced by appointing a Chairman of the Board or by calling upon a director other than Dr. Cohen to act as the chair of its meetings. The Board follows sound corporate governance practices to ensure its independence and effective functioning. Most importantly, except for Dr. Cohen, the Board is composed entirely of directors deemed to be "independent." The independent directors meet in a scheduled executive session without Dr. Cohen present at every regular meeting of the Board. These sessions are chaired by different independent directors, depending on the nature of the issues discussed. The independent directors also engage in informal discussions outside of Board meetings without Dr. Cohen. Additionally, the Board has developed processes that ensure control of Board meeting agendas by the independent directors.

In addition, each of the Board's committees is composed entirely of independent directors, which means that oversight of critical issues such as the integrity of the Company's financial statements, chief executive officer and senior management compensation, and Board evaluation and selection of directors is entrusted to independent directors. In addition to the Audit, Compensation and Nominations and Governance Committees, the Board has established a Compliance Committee, also consisting only of independent directors, which assists the Board in overseeing compliance with all non-financial legal and regulatory requirements.

The Board regularly reviews its leadership structure to determine whether it facilitates optimization of Board performance and whether circumstances might warrant a change in such structure.

#### Risk Oversight

The Board of Directors is generally responsible for overseeing management of the various operational, financial, and legal risks faced by the Company. Particular risk management matters are brought to the Board by management in connection with the Board's general oversight and approval of corporate matters. Our Board administers its risk oversight function as a whole and through its Board committees. For example, the Audit Committee regularly discusses with management our major financial risk exposures, their potential financial impact on our Company and our risk mitigation strategies and participates in regular reviews of our process to assess and manage enterprise risk management. In addition, our Compliance Committee works closely with senior management to review and oversee our compliance with non-financial legal and regulatory requirements, including those related to product safety and quality and the development, manufacturing, distribution and sale of our products. The individual Board committees report to the full Board, including when a matter rises to the level of a material risk. The Company's management is responsible for day-to-day risk management. This oversight includes identifying, evaluating, and addressing potential risks that may exist at the strategic, financial, operational, compliance and reporting levels. We believe the division of risk management responsibilities described above is an effective approach for addressing the risks facing our Company and that our Board leadership structure supports this approach.

#### Director Independence

The Board has determined that Mr. Greene, Dr. Jensen, Mr. Kelley, Dr. Panem, Mr. Randall, Mr. Rauscher and Mr. Smith are "Independent Directors" as defined in Rule 5605(a)(2) of the NASDAQ listing rules.

#### Attendance at Board, Committee and Stockholder Meetings

Our Board met nine times during 2012 excluding committee meetings. All of the directors attended at least 75% of all Board meetings and meetings of the committees on which they serve, except for Mr. Smith. Although we have no

formal policy with respect to director attendance at our annual meetings of stockholders, we encourage our directors to attend. All of our directors except Mr. Greene and Mr. Smith attended our 2012 Annual Meeting.

The Board evaluated Mr. Smith's membership on the Board in light of his 2012 attendance record, and discussed with Mr. Smith his absences from meetings during 2012 and the reasons therefor. Although his attendance did not meet the Board's expectations, the Board concluded that Mr. Smith remains a valuable member of the Board who greatly contributes to the Board and the Company, and that his 2012 attendance record should not affect his continued membership on the Board or any future decision regarding his nomination for re-election. In reaching this conclusion, the Board took note of extenuating personal and professional conflicts during 2012, and that despite absence from several Board and committee meetings, he was nonetheless an active member of the Board during 2012 who remained engaged in overseeing Company matters throughout the year, including outside of Board meetings.

## Committees of the Board of Directors

The Board has established an Audit Committee, a Compensation Committee, a Nominations and Governance Committee and a Compliance Committee, each of which is comprised solely of Independent Directors. Also, each member of the Audit Committee meets the independence requirements of Section 10A of the Securities Exchange Act of 1934, as amended, and SEC Rule 10A-3 promulgated thereunder. The following lists the members of each committee as well as the primary responsibilities of each committee. Committee memberships, as disclosed in this Proxy Statement, were most recently updated in June 2012.

### Audit Committee and Audit Committee Financial Experts

Our Audit Committee currently consists of three members: Mr. Randall (Chair), Mr. Kelley and Mr. Smith. Mr. Randall, Mr. Kelley, and Mr. Smith all qualify as an “audit committee financial expert” as that term is defined in Item 407(d) of U.S. Securities and Exchange Commission Regulation S-K. The designation of members of our Audit Committee as “audit committee financial experts” does not impose on those members any duties, obligations, or liabilities that are greater than are generally imposed on them as members of the Audit Committee and our Board, and does not affect the duties, obligations, or liabilities of any other member of the Audit Committee or our Board.

Our Audit Committee is responsible for:

- approving and retaining the independent auditors to conduct the annual audit of our books and records; and evaluating the independent auditors’ qualifications, performance, independence, and quality controls;
  - reviewing the proposed scope of audits and fees to be paid;
- Overseeing the independent auditor, including resolving disagreements with management, obtaining required reports from the independent auditor, and reviewing with the independent auditor matters such as audit problems or difficulties, internal control deficiencies, significant financial reporting issues or judgments, and the effect of regulatory and accounting initiatives or off-balance sheet structures on the Company’s financial statements.
- reviewing and pre-approving the independent auditors’ audit and non-audit services in accordance with the Company’s pre-approval policy established by the Audit Committee;
- reviewing the Company’s financial statements, and in the case of audited financial statements recommending them to the Board for inclusion in the Company’s Annual Report on Form 10-K;
- coordinating the Board’s oversight of internal control over financial reporting and disclosure controls and procedures, and the finance-related portions of the Company’s code of ethics;
  - reviewing and approving transactions between us and our directors, officers and affiliates;
  - recognizing and addressing potential prohibited non-audit services;
- establishing procedures for complaints received by us regarding accounting, internal accounting controls, or auditing matters, and for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
  - overseeing internal audit functions if and when implemented.

All audit services and non-audit services to be provided to us by our independent auditor must be approved in advance

by our Audit Committee in accordance with our auditor pre-approval policy, which is described below in Proposal Two in this Proxy Statement under the heading “Pre-approval Policies and Procedures.” Ernst & Young LLP currently serves as our independent auditor. Our Board has adopted a written charter for the Audit Committee. The Board revised the charter in 2012 in light of certain legal and regulatory developments and other considerations. The revised charter is available on our website, [www.acorda.com](http://www.acorda.com) under “Investors—Corporate Profile—Corporate Governance—Committee Charters.” The Audit Committee met six times (including a joint meeting with the Compliance Committee) in 2012.

## Compensation Committee

Our Compensation Committee consists of four members: Mr. Kelley (Chair), Dr. Jensen, Mr. Greene, and Mr. Randall. Our Compensation Committee is responsible for:

- overseeing and evaluating the Company's overall human resources compensation structure, policies and programs, and assessing whether they establish appropriate incentives and leadership development opportunities and whether they encourage unnecessary and excessive risk;

- reviewing corporate goals relevant to the compensation for executives, including our President and Chief Executive Officer, and evaluating performance in light of those goals; and reviewing, approving and (where appropriate) recommending for the approval of the full Board the compensation arrangements for executives, including our President and Chief Executive Officer;

- reviewing and making recommendations to the Board regarding incentive compensation and equity-based plans; and approving any other compensation plans for which stockholder approval is not sought;

- administering our stock incentive plan and annual cash bonus program;

- in consultation with the Committee's independent compensation consultant, establishing compensation policies and practices for directors for service on the Board and committees and annually reviewing and making recommendations to the full Board regarding director compensation;

- developing and monitoring compliance with stock ownership guidelines, if such guidelines are deemed appropriate by the Board;

- reviewing senior management selection, overseeing succession planning, and reviewing leadership development, and reviewing whether compensation and other programs promote such development; and

- reviewing the results of advisory votes on executive compensation and making recommendations to the Board regarding appropriate responses, as appropriate, and making recommendations to the Board on the frequency of such votes.

Our Board has adopted a written charter for the Compensation Committee. The Board revised the charter in 2012 in light of certain legal and regulatory developments and other considerations. The revised charter is available on our website, [www.acorda.com](http://www.acorda.com) under "Investors—Corporate Profile—Corporate Governance—Committee Charters." The Compensation Committee met six times in 2012.

The Compensation Committee engages Arnosti Consulting Inc., a compensation consultant, to provide analysis and recommendations regarding our compensation programs and our Named Executive Officer compensation. Arnosti Consulting has been engaged for 2013 compensation decisions and was previously engaged in 2012 and in prior years to provide similar services to our Compensation Committee. Nancy Arnosti is the principal of Arnosti Consulting and she is the individual with whom the Compensation Committee works on these matters. Based on a review of pertinent factors, the Board does not believe that any of the services provided by Arnosti Consulting raise any material conflicts of interest.

## Nominations and Governance Committee

Our Nominations and Governance Committee consists of three members: Dr. Panem (Chair), Mr. Randall, and Mr. Smith. The Nominations and Governance Committee is responsible for:

- identifying potential candidates to serve on our Board;
- working with the Company's General Counsel to develop and recommend to the Board a set of Corporate Governance Principles; and from time reviewing the adequacy of such Corporate Governance Principles;
- overseeing an annual evaluation of the Board;
- evaluating the composition, size, structure and practices of the Board and monitoring the independence of Board members and the overall Board composition;



• reviewing processes relating to Board meeting schedules and agendas and for the Company providing information to the Board;

• reviewing the service of Board members and executive officers on the board of directors of any other company;

- reviewing director and officer questionnaires;

- overseeing director education and continuing education programs;

• evaluating stockholder proposals and making recommendations to the Board regarding any such proposals; and

• considering and making recommendations to the Board relating to the practices, policies and performance of the Board and corporate governance.

Our Board has adopted a written charter for the Nominations and Governance Committee. The Board revised the charter in 2012 in light of certain legal and regulatory developments and other considerations. The revised charter is available on our website, [www.acorda.com](http://www.acorda.com) under “Investors—Corporate Profile—Corporate Governance—Committee Charters.” The Nominations and Governance Committee met three times in 2012.

#### Compliance Committee

Our Compliance Committee consists of four members: Mr. Rauscher (Chair), Mr. Greene, Dr. Panem and Dr. Jensen. The Compliance Committee is responsible for overseeing our compliance with legal and regulatory requirements, including those related to product safety and quality and the development, manufacturing, distribution and sale of our products, but excluding matters relating to financial compliance, which are subject to the oversight of the Audit Committee. Our Board has adopted a written charter for the Compliance Committee. The charter, most recently revised in 2012, is available on our website, [www.acorda.com](http://www.acorda.com) under “Investors—Corporate Profile—Corporate Governance—Committee Charters.” The Compliance Committee met six times (including a joint meeting with the Audit Committee) in 2012.

#### Ad Hoc Business Development Committee

The Board has also established an ad hoc Business Development Committee. This committee consists of Mr. Greene (Chair), Mr. Jensen, Mr. Smith, and Mr. Rauscher. The ad hoc Business Development Committee, which does not have a charter, is responsible for overseeing the Company’s evaluation of significant business development opportunities, including potential acquisitions or the purchase or in-license of new products or development projects, and making recommendations to the Board regarding such transactions.

#### Director Qualifications and Director Nomination Process

##### Qualifications for Director Candidates

The Nominations and Governance Committee and the Board do not believe that it is in our best interests to establish rigid criteria for the selection of prospective director candidates. Rather, the Nominations and Governance Committee and the Board recognize that the challenges and needs we face will change over time and, accordingly, believe that the selection of director candidates should be based on skills relevant to the issues we face or are likely to face at the time of nomination. As a result, the priorities and emphasis of the Nominations and Governance Committee and of the Board may change from time to time to take into account changes in business and other trends, and the portfolio of skills and experience of current and prospective members of our Board.

At the same time, the Nominations and Governance Committee and the Board strongly believe that we benefit from diversity in age, skills, background and experience. While the Nominations and Governance Committee and the Board have not adopted a formal diversity policy with regard to the selection of director candidates, diversity is one of the factors that the Committee considers in identifying director candidates. As part of this process, the Nominations and Governance Committee evaluates how a particular candidate would strengthen and increase the diversity of the Board in terms of how that candidate may contribute to the Board's overall balance of perspectives, backgrounds, knowledge, experience, skill sets and expertise.

We seek director candidates who, in addition to general management experience and business knowledge, possess an expertise in one or more of the following areas: business, medicine, scientific research, drug discovery and development,