

September 7, 2018

**Report to the Stockholders of Assertio Therapeutics, Inc.**  
**From the Board of Directors**

As a specialty pharmaceutical company that we believe offers patients enhanced therapeutic options, the mission of Assertio Therapeutics, Inc. (“Assertio” or the “Company”) is to promote health and well-being and advance patient care. Assertio recognizes the severity of the public health crisis in the United States arising out of the abuse and diversion of opioids. The limited purpose of this report is to provide the Company’s stockholders with an understanding of the steps that the Company has taken to mitigate and manage the business risks associated with the Company’s prior commercialization of opioid products.

On May 8, 2018, the Company’s stockholders approved a proposal (the “Proposal”) at the Company’s Annual Shareholder Meeting calling upon the Board of Directors (the “Board”) to report to stockholders on measures the Company has implemented since 2013 to more effectively monitor and manage financial and reputational risks related to the opioid crisis in the United States, given the Company’s manufacturing and historical sales of opioid medications, including whether the Company has assigned responsibility for such monitoring to the Board or a Board committee, revised senior executive compensation metrics or policies, adopted or changed mechanisms for obtaining input from stakeholders or altered policies or processes regarding its political activities.

In response to the Proposal, the Board has prepared this report (“Report”) for dissemination to the Company’s stockholders. This Report is divided into the five following sections:

- I. General Background Information
- II. Measures to Monitor Opioid-Related Risks
- III. Executive Compensation Metrics or Policies
- IV. Mechanisms for Obtaining Input from Stakeholders
- V. Policies Regarding Political Activities

**I. General Background Information**

The Company is a specialty pharmaceutical company focused on neurology, orphan and specialty medicines.

In July 2013, the Company acquired rights to market Lazanda® (fentanyl) Nasal Spray (“Lazanda”) in the U.S. – its first marketed product containing an opioid – from Archimedes Pharma US Inc. and its affiliates.

In November 2017, the Company entered into definitive agreements (the “Slán Agreements”) with Slán Medicinal Holdings Limited (“Slán”) pursuant to which Slán acquired

all of the Company's rights to Lazanda. As a result, the Company no longer owns the rights to, or commercializes, Lazanda.

In April 2015, the Company acquired U.S. rights to the NUCYNTA® franchise of pharmaceutical products (the "NUCYNTA franchise") pursuant to an Asset Purchase Agreement with Janssen Pharmaceuticals, Inc. Tapentadol, the active pharmaceutical ingredient in the NUCYNTA franchise of medications, is a proprietary opioid analgesic and was originated by the German pharmaceutical company Grünenthal GmbH.

In January 2018, pursuant to the terms of a Commercialization Agreement the Company entered into with Collegium Pharmaceutical, Inc. ("Collegium") in December 2017, the Company granted Collegium the right to commercialize the NUCYNTA franchise of pain products in the U.S. Pursuant to the Commercialization Agreement, Collegium assumed all commercialization responsibilities for the NUCYNTA franchise effective January 9, 2018, including sales and marketing. As a result, in January 2018 the Company eliminated its sales force promoting the NUCYNTA franchise and no longer commercializes NUCYNTA franchise products. The Company receives a royalty on all NUCYNTA franchise revenues based on certain net sales thresholds.

The Company is now focused on its neurology, orphan and specialty medicines business. The Company's current specialty pharmaceutical business includes the following three products which the Company markets in the U.S.:

- **Gralise®** (gabapentin), a once-daily product for the management of postherpetic neuralgia, launched in October 2011;

**CAMBIA®** (diclofenac potassium for oral solution), a non-steroidal anti-inflammatory drug for the acute treatment of migraine attacks, acquired in December 2013; and **Zipsor®** (diclofenac potassium) liquid filled capsules, a non-steroidal anti-inflammatory drug for the treatment of mild to moderate acute pain, acquired in June 2012.

Additionally, pursuant to the Slán Agreements, the Company acquired rights to market the specialty drug cosyntropin depot in the U.S., which the Company believes can be second to market behind Mallinckrodt plc's marketed product, H-P Acthar Gel, which is used for a variety of clinical indications, primarily for certain neurological conditions. As previously announced, the Company currently expects Slán to file an NDA for cosyntropin depot in late 2018.

The Company actively seeks to expand its product portfolio by acquiring or in-licensing commercially available products or late stage product candidates that may be marketed and sold effectively with its existing products through its sales and marketing capabilities.

The Company also has royalty and milestone producing license arrangements based on its proprietary Acuform® gastroretentive drug delivery technology, including with Ironwood Pharmaceuticals, Inc.

## **II. Measures to Monitor Opioid-Related Risks**

The Board oversees the establishment and maintenance of the Company's risk management processes and takes its oversight and monitoring responsibilities seriously. The Board's role in the Company's risk oversight process includes receiving regular updates from members of senior management on areas of material risk to the Company, including operational, financial, clinical, commercial compliance, legal and regulatory, and strategic and reputational risks. These risks include opioid-related risks.

The full Board (or the appropriate committee, in the case of risks that are under the purview of a particular committee) receives these and other updates to better enable it to understand the Company's risk profile and the Company's risk identification, risk management and risk mitigation strategies. When a committee receives an update, the chairperson of the relevant committee reports on the discussion to the full Board at the next Board meeting. This enables the Board and its committees to coordinate the risk oversight role.

The Board delegated primary responsibility for oversight of specific risks to its committees. Specifically:

- The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk management, including in the areas of financial reporting and internal controls, reviews risks associated with product liability insurance, general liability insurance and director and officer insurance and, in coordination with the Compensation Committee, annually reviews the Company's compensation plans, programs and policies as they relate to the Company's risk management.
- The Compensation Committee is responsible for management of risks relating to the Company's compensation program and policies as well as oversight of other risks associated with the Compensation Committee's responsibilities under its charter.
- The Nominating and Corporate Governance Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with matters overseen by the Nominating and Corporate Governance Committee, including corporate governance, director succession planning, political and charitable contributions, insider trading, and reputational risk to the extent such risk arises from these topics.

A crucial part of the Company's risk-management process and strategy – including that relating to its legacy opioid business – is the Company's approach to compliance and the policies and procedures implemented by the Company related thereto. The Company's business and its operations are guided by four core principles ("Core Principles"):

- Ethically promote its products;
- Preserve the relationship between healthcare professionals and patients;
- Ensure patient safety and access to Company products; and

- Protect patient privacy.

These Core Principles, each of which is further defined below, serve as the touchstones that the Company expects to guide its employees' actions on behalf of the Company, including with regard to compliance with applicable laws and regulations.

The Company's commitment to compliance is supported by three fundamental pillars (the "Pillars"): (i) patients first; (ii) ethical and responsible interactions with healthcare professionals; and (iii) tone at the top. These Pillars support and guide the Company's approach to compliance and ethical conduct. To reinforce the Company's further commitment to compliance and ethical conduct, the Company, with the Board's input and approval, has adopted a Comprehensive Compliance Program (the "CCP"), which is outlined below.

The Company endeavors to conduct its business activities in accordance with the Core Principles, the Pillars, the CCP and all applicable laws, regulations and industry codes of conduct.

### ***Core Principles***

The Core Principles that form the foundation of the Company's business and guide the daily interactions of all employees, including sales representatives, are as follows:

- *Ethically Promote the Company's Products*

The Company is committed to promoting its products in an ethical manner. To ensure compliance with this Core Principle, all sales representatives who are involved in the promotion of a particular Company product are expected to know and understand the information in the product's label, and must successfully complete Company product training and compliance training consistent with the CCP. In promotional interactions with healthcare professionals ("HCPs"), consumers, or any other external party, sales representatives are expected to communicate truthful, on-label information about Company products, and all discussions are required to be consistent with the CCP.

To facilitate ethical promotion of Company products, the Company provides training to sales representatives to educate them on the legal and ethical principles that apply to product promotion. The Company uses a variety of media and communication strategies to enhance the effectiveness of its training program. The Company expects sales representatives to comply with the training they receive.

- *Preserve the Relationship between Healthcare Professionals and Patients*

The Company believes that patient care should be based on patient needs and a HCP's medical knowledge and experience, and that patient care should not be improperly influenced by individuals or entities outside of the HCP/patient relationship. Therefore, the Company believes its interactions with HCPs should be focused on informing HCPs

about its products, providing scientific and educational information, and supporting medical research and education. To ensure the integrity of medical decisions, the Company does not offer or provide improper inducements or rewards to HCPs or consumers.

- *Ensure Patient Safety and Access to Company Products*

The Company is committed to ensuring the safe use of its products. Safe use of medical products may require instruction, education, training and technical support. In such instances, the Company offers HCPs with educational programs and training related to its products. The Company also provides support to independent external organizations that provide important educational opportunities to HCPs.

Patient access to physician-prescribed medical products can be challenging. The cost of medical products can also be financially burdensome for many patients. The Company supports programs to help reduce such barriers to access so patients may get the medicines their physicians determine are most appropriate based on their medical condition.

- *Protect Patient Privacy*

The Company recognizes the importance of protecting patient privacy and has established policies and requirements designed to avoid affirmative contact with confidential patient information (unless patient consent is received) and to ensure appropriate handling of any confidential patient information that Company sales representatives inadvertently receive. Any business activities involving patients or consumers are expected to be conducted in accordance with applicable industry standards, laws, and regulations, and the CCP, which is outlined below.

As noted above, the Company's commitment to corporate responsibility, both in its business and in its compliance program, is supported by the Pillars described below. The Company's training programs and organizational structures have been developed to enable everyone to understand the Pillars and how to implement them to support the Core Principles.

### *Pillars*

- *Patients First*

The Company is inspired by patients. This inspiration motivates the Company to develop and make available high-quality medicines that help people live longer, healthier lives. The Company continually challenges its employees to meet and exceed the highest standards of performance, integrity and compliance. By endeavoring to always putting patients first, the Company believes it can reach the high standards it aspires to achieve.

○ *Ethical and Responsible Interactions with Healthcare Professionals*

Ethical and responsible relationships with HCPs are critical to the Company's mission of helping patients by developing and marketing needed medicines. In order for HCPs to make the right choices for their patients and achieve positive health outcomes, the Company believes it is important that HCPs understand the attributes of available treatment options. An important part of achieving the Company's mission is to ensure that in its interactions with HCPs, Company representatives provide information about the risks and benefits of the Company's products and their role in patient healthcare. The Company has developed compliance policies and employee training programs that provide guidance on appropriate interactions with HCPs and emphasize adherence to applicable laws and regulations for all employees who market its products.

○ *Tone at the Top*

The Company's leaders and managers are responsible for establishing and maintaining its culture of compliance and integrating that culture into everything the Company does. The Company believes that tone at the top reinforces the Company's guiding values and ethical culture. When this corporate value is properly nurtured, the Company believes it is the foundation upon which the culture of the Company is built.

The Company is committed to conducting business with the highest degrees of integrity, professionalism and social responsibility. The Company is also committed to complying with all of the laws, regulations, and industry codes of conduct that apply to its business. To that end, the Company has adopted, with the Board's approval, the CCP to support this commitment.

***Comprehensive Compliance Program***

The CCP represents the comprehensive, operational guidebook for the Company's employees as it relates to their conduct on behalf of the Company. A (non-Board) Compliance Committee (the "Compliance Committee") composed of senior officers, including the Company's CEO, CFO, Chief Medical Officer, SVP of Human Resources, the Chief Compliance Officer and General Counsel, oversees the CCP. This Compliance Committee, among other things, determines potential risk areas, keeps open internal lines of communications and brings matters to the full Board as necessary.

The CCP is aligned with the philosophy and program structure recommended in the "Compliance Program Guidance for Pharmaceutical Manufacturers" ("OIG Guidance") developed by the Office of Inspector General of the United States Department of Health and Human Services. The OIG Guidance includes seven widely-recognized and fundamental elements to an effective compliance program. These seven elements are:

- *Written policies and procedures.* The Company has developed written policies and procedures addressing compliance issues in connection with its interactions with HCPs

and related activities. These policies and procedures are designed to ensure compliance with the recommendations set forth in the OIG Guidance, the Pharmaceutical Research and Manufacturers of America (“PhRMA”) Code on Interactions with Health Care Professionals, and Federal and State laws and regulations. The Compliance Officer is responsible for approving such Compliance written policies and procedures and periodically reviews and revises Compliance policies and procedures as appropriate. Each employee is required to comply not only with the letter of these policies, but also with their spirit.

- *Designated compliance officer and compliance committee.* The Company has designated a Compliance Officer to ensure the integrity of, and to implement, the CCP. In addition, the Company has designated a Compliance Committee consisting of senior management and other personnel to provide compliance oversight to the Company and to support the Compliance Officer.
- *Effective training and education.* The Company’s compliance policies and procedures are distributed to new hires and current employees and made available on the Company’s electronic Learning Management System (“eLMS”). Company personnel are required to participate in training relevant to their positions and certify in the eLMS as to their understanding and completion of such training. Compliance training is assigned and tracked in the eLMS. All employees are required to undergo additional periodic training as deemed necessary to meet the objectives of the CCP.
- *Effective lines of communication.* The Company has created and maintains effective lines of communication between the Compliance Officer and all employees consisting of the publication and distribution of contact information for the Compliance Officer and other members of the compliance staff to ask questions or report concerns, and a web-based system and telephone hotline to receive anonymous complaints. The Company has adopted procedures to protect to the extent practicable the anonymity of complainants and to protect whistleblowers from retaliation.
- *Internal monitoring and auditing.* The Company conducts auditing and monitoring of home office and field activities, such as HCP interactions, speaker programs and consultant activities in order to confirm that these activities are being carried out in accordance with the relevant Company policies and procedures, as well as all applicable laws, regulations and rules.
- *Enforcement of standards.* The Company has developed policies and procedures addressing the non-employment or retention of individuals or entities excluded from participation in federal health care programs, and the enforcement of appropriate disciplinary action against employees or contractors who have violated company policies and procedures or applicable federal health care program requirements.

- *Prompt response to detected problems through corrective actions.* The Company has developed policies and procedures for the investigation of identified instances of noncompliance or misconduct. The Company takes prompt and proper action in response to detected offenses, such as the initiation of appropriate corrective action, preventive measures and processes to report the offense to relevant authorities in appropriate circumstances.

The CCP represents a shared undertaking on the part of all of the Company's employees. The Company's training programs and organizational structures have been developed to enable everyone to clearly understand their compliance responsibilities and obligations. All employees are expected to report any concerns, take ownership of compliance, and to perform all tasks in accordance with applicable laws and regulations and with integrity.

The Company has also adopted policies to enhance the monitoring and managing of financial and reputational risks, including the risks relating to the Company's historical commercialization of opioids. The policy enhancements include:

- A. The adoption by the Board in May 2014 of certain amendments to the Charter of the Audit Committee of the Board, which provided, in part, for the Audit Committee to:
  - Have among its principal duties and responsibilities, oversight of the Company's compliance with applicable legal, regulatory and tax requirements;
  - Meet at least annually in separate executive sessions with management, the personnel responsible for the internal audit function, and the independent auditor to discuss matters that any of them or the Audit Committee believes could significantly affect the financial statements and should be discussed privately;
  - Discuss with management the Company's major financial, accounting, legal and business risk exposure and the steps management has taken to monitor and control such exposure, including the Company's policies and practices with respect to enterprise risk assessment and enterprise risk management;
  - Discuss and review with management the Company's insurance portfolio and the adequacy of the type and scope of coverage provided by such insurance portfolio relative to the risk exposure of the Company, including product liability insurance, general liability insurance and director and officer insurance;
  - Discuss with management and the Company's counsel compliance with applicable laws and regulations or other legal matters that may have a material effect on the Company's financial statements and results of operations; and,

- Discuss with management and the independent auditor any correspondence with regulators or governmental agencies or published reports that raise material issues regarding the Company's financial statements or accounting policies.
- B. The adoption by the Board in May 2017 of certain additional amendments to the Charter of the Audit Committee of the Board, which provided, in part, for the Audit Committee to:
- Discuss with management the Company's major financial, accounting, legal and business risk exposure and the steps management has taken to monitor and control such exposure, including the Company's policies, practices and plans with respect to enterprise risk assessment, enterprise risk management, crisis communications, disaster recovery and the risk of fraud;
  - In coordination with the Compensation Committee of the Board, annually review the Company's compensation plans, programs and policies as they relate to the Company's risk management;
  - In coordination with the Nominating and Corporate Governance Committee of the Board, review and oversee (i) the Company's policies and procedures regarding compliance with applicable laws and regulations, including the Foreign Corrupt Practices Act ("FCPA"), and the Company's Code of Business Conduct and Ethics ("Code of Ethics") and (ii) the Company's compliance therewith; and,
  - In coordination with the Nominating and Corporate Governance Committee of the Board, discuss at least quarterly with management, including the Company's General Counsel (and Chief Compliance Officer if other than the General Counsel), and receive at least annually a report from the General Counsel (and Chief Compliance Officer if other than the General Counsel) covering, (i) the Company's policies and procedures regarding compliance with applicable laws and regulations, including the FCPA, and the Code of Ethics, (ii) the Company's compliance with such laws, regulations and Code of Ethics and (iii) the material legal or contractual risks to the Company.
- C. The adoption by the Board in May 2017 of certain amendments to the Charter of Compensation Committee of the Board, which provided, in part, for the Compensation Committee to:
- In coordination with the Audit Committee, annually review the Company's compensation programs as they relate to the Company's risk management, determine whether and to what extent risks arising from the Compensation

Programs are reasonably likely to have a material adverse effect on the Company, consider methods of mitigating any such risks, and discuss with the Company's management the results of its review and any disclosures required by Item 402(s) of Regulation S-K; and,

- In coordination with the Audit Committee, provide oversight of the risks associated with the Compensation Committee's responsibilities in the charter.

D. The adoption by the Board in May 2017 of certain amendments to the Charter of Nominating and Corporate Governance Committee of the Board, which provided, in part, for the Nominating and Corporate Governance Committee to:

- Develop and recommend to the Board the corporate governance principles applicable to the Company, including the codes of ethical conduct and legal compliance by which the Company and its directors, officers, employees and agents will be governed, and recommend proposed changes as from time to time the Nominating and Corporate Governance Committee deems appropriate to the Board for approval, and monitor compliance with those principles;
- Periodically review the policies and practices of the Company in the area of corporate governance and, as necessary, recommend new policies and changes to existing policies to the Board for its approval, and in doing so, review with the Company's counsel or other appropriate personnel new and relevant legal and regulatory requirements that may be imposed on the Company from time to time;
- In coordination with the Audit Committee, assess the Board's role in risk oversight and recommend appropriate disclosures for approval by the Board;
- In coordination with the Audit Committee, annually review any Company corporate political and charitable contributions and expenditures to ensure alignment with Company policies and values; and,
- Annually review and assess the effectiveness of any Company environmental and social responsibility policy, goal and program, and make recommendations as deemed appropriate based on such review and assessment.

E. The adoption by the Board in May 2017 of certain amendments to the Company's Corporate Governance Guidelines, which provided, in part, for the following:

- Oversight of the Board to enhance the long-term value of the Company for its stockholders;

- That the Board is elected by the stockholders to oversee management and to assure that the long-term interests of the stockholders are being served;
- An expectation that directors exercise their business judgment to act in good faith, on an informed basis and in what they reasonably believe to be in the best long-term interests of the Company and its stockholders;
- That the long-term interests of stockholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, patients, payors, vendors, partners, suppliers, communities, government officials and the public at large;
- That the positions of Chairman of the Board and CEO be held by separate persons and the position of Chairman be held by an independent director;
- That director responsibilities include: (i) reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions; (ii) assessing major risks facing the Company, and reviewing options for their mitigation; and (iii) ensuring processes are in place for maintaining the integrity of the Company, including the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with employees, patients, payors, vendors, partners, suppliers, communities, government officials and the public at large, and the integrity of relationships with other stakeholders;
- Provide for an annual evaluation of the CEO in executive session of the independent directors based on a broad range of criteria including input from members of executive management, which evaluation shall assess, among other things, the CEO's leadership and management of the Company and his or her relationship with the Company's stakeholders, as well as objective criteria, including the performance of the business, accomplishment of long-term strategic objectives and development of management succession;
- Provide for the Board's oversight of the establishment and maintenance of the Company's risk management processes, with the Board being able to delegate primary responsibility for oversight of specific risks to any one or more of its committees;
- That all Company employees, executive management and directors, including the principal executive officer and principal financial officer, abide by the Code of Ethics (which is available on the Company's website) to ensure that the Company's business is conducted in a consistently legal and ethical manner, which Code of Ethics covers conflicts of interest; corporate

opportunities; confidentiality; compliance with laws, rules and regulations; and fair dealing; and encourage the reporting of any illegal or unethical behavior, among other things; and,

- That the Board's expectation is that the Company's directors, as well as executive management and employees, act ethically at all times and to adhere to the Code of Ethics.
- F. Continued focus and discussion by both the Audit Committee and the Board of (i) the steps taken by management to monitor and control business risk exposure related to commercialization of opioids and the challenges related thereto; and (ii) whether additional actions by the Board, the Company or management might reduce or mitigate such exposure.
- G. The Board's establishment of an Opioid Matter Oversight Committee in May of 2018, the charter of which provided, in part, for the Opioid Matter Oversight Committee to:
- Provide assistance to the Board and its committees, as applicable, with oversight as to risk exposures and management's risk monitoring, compliance programs and other mitigation activities in connection with (i) the historical commercialization of opioid drugs by the Company and (ii) governmental investigations, litigation or other proceedings that may relate thereto;
  - In coordination with the Audit Committee, discuss with management and report to the Board on risk exposures and risk management issues related to the matters overseen by the Opioid Matter Oversight Committee, including management's risk monitoring and mitigation activities; and,
  - In coordination with the Audit Committee, review and make recommendations to the Board regarding corporate disclosures relating to opioid-related matters.

### **III. Executive Compensation Metrics or Policies**

The Board and the Compensation Committee annually assess the Company's compensation policies and practices of all employees, including executive officers. The Board believes its approach to setting corporate goals and individual objectives, bonus payouts at varying levels of performance, and thorough evaluation of performance results, assist in mitigating excessive risk-taking that could harm the Company's value or reward poor judgment by executives.

Additionally, the Board believes that the allocation of compensation among base salary and short and long-term cash, as well as equity-linked compensation, which historically included stock options and restricted stock units and more recently has included performance stock units for the Company's executive officers, discourages excessive risk-taking. Furthermore, the Board

believes the multi-year vesting of equity awards also discourages excessive short-term risk taking by incentivizing the Company's executive officers to create long-term stockholder value. The Board also believes that applying Company-wide metrics encourages decision making that is in the best long-term interests of the Company and its stockholders.

In addition to the foregoing, members of the Board and the Company's executive officers are required pursuant to the terms of the Company's Stock Ownership Policy to have direct ownership in the common stock of the Company. The Board believes that such stock ownership requirements serve to further align the long-term interests of the Company's stockholders, its directors and its executive officers and discourages excessive risk-taking that could harm the long-term value of the Company or unduly harm its reputation.

Furthermore, pursuant to the terms of the Company's Insider Trading Policy, the Company's directors, officers and employees are prohibited from engaging in hedging or monetization transactions, including short sales or transactions in public traded options and generally from the pledging of Company securities as collateral. The Board believes these measures serve to mitigate excessive risk taking and serve the long-term interests of the Company and its stockholders.

Among the other factors the Board believes are noteworthy in regard to mitigating excessive risk-taking in connection with executive compensation are the following:

- a representative from the Audit Committee serves on the Compensation Committee;
- annual review of the Company's executive compensation programs by the Compensation Committee's independent consultant; and,
- the Compensation Committee is chaired by an independent, non-employee director.

#### **IV. Mechanisms for Obtaining Input from Stakeholders**

The Company believes that communication among the Board, the Company's stockholders, and other interested stakeholders is an important part of the Company's corporate governance process. Accordingly, in May 2017, the Board adopted formal Shareholder Communications Procedures (the "Procedures") to facilitate communication among the Board, stockholders and other interested stakeholders. The Procedures are available on the Company's website under the Investors → Corporate Governance Tab and outline the mechanism by which stakeholders may initiate communications to the Board, any individual director or the non-management directors as a group through the independent chairman of the Board. Pursuant to those Procedures, any matters raised in good-faith are given due consideration and referred to the appropriate individuals on the Board or at the Company for further action as necessary.

In addition, in May 2017, the Company posted to its website formal procedures for the submission of complaints or concerns relating to accounting, internal accounting controls and

auditing matters, as well as the confidential submission by employees of concerns regarding questionable accounting or auditing matters relating to the Company.

#### **V. Policies Regarding Political Activities**

The Company has not historically been, and is not currently involved in, any political activity.

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Although the Company no longer commercializes opioid products, the Company continues to face business risks related to its prior commercialization of opioids. The Company has implemented robust procedures, which it intends to continue to refine, to ensure that risk assessment and risk management are appropriately considered both from the bottom up and from the top down. The Company believes doing so is important for its stockholders, as well as for the patients, families, physicians, providers and payors it serves.