

CALIFORNIA COMPLIANCE DECLARATION

Lexicon Pharmaceuticals, Inc. (Lexicon) is dedicated to ensuring that all business operations and activities are conducted with the highest ethical standards and in accordance with all federal and state laws, and industry standards/codes. Lexicon considers its reputation within the medical community an asset and is committed to promoting honest and ethical behavior of all individuals employed by or associated with Lexicon.

Lexicon has developed a Code of Business Conduct and Ethics (“The Lexicon Code”) to guide its business practices in an ethical and compliant manner and requires all employees, executives, contractors and agents to abide by this Code. In addition, Lexicon has implemented a Comprehensive Compliance Program (“Compliance Program”) that incorporates the fundamental elements set forth by the Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturer (“OIG Guidance.”) Lexicon’s Compliance Program includes the following:

- **Written Policies and Procedures**

Lexicon has adopted written policies, procedures, and educational training programs as part of its Comprehensive Compliance Program. All written compliance policies are visibly posted and accessible to employees.

- **Corporate Compliance Officer (CCO) and Compliance Committee**

Lexicon has designated a Corporate Compliance Officer (“CCO”) who is primarily responsible for oversight of the Compliance Program and ensures that the Company and all employees, directors and officers act in accordance with all applicable laws, industry standards, and policies.

Lexicon has established a Corporate Compliance Committee (“Committee”) consisting of members of the executive management team and the Company’s Corporate Compliance Officer. The Corporate Compliance Committee works with the CCO to ensure the Company’s Compliance Program is effective, properly communicated, and addresses any gaps in the program.

- **Training and Education**

Appropriate training and education are an essential part in reinforcing Lexicon's commitment to its Compliance Program. All employees are trained on the Lexicon Code and the Company's written policies and procedures. Employees are trained upon hire and as needed on an ongoing basis.

- **Effective Lines of Communication**

Lexicon encourages an atmosphere of open communication that fosters dialog between management and employees regarding compliance concerns or suspected misconduct. Employees are encouraged to report concerns to management or the compliance hotline which allows anonymity. Lexicon maintains a policy of no retaliation or retribution against any employee for raising concerns/ or making a report.

- **Monitoring and Auditing**

Lexicon has implemented policies and procedures to ensure that business processes and operations are efficient and effective as well as conducted in compliance with applicable regulations and industry requirements. Lexicon's CCO is responsible for ensuring that the elements of the Compliance Program are audited and monitored on an ongoing basis.

- **Enforcement and Discipline**

Lexicon develops and maintains documentation that informs all employees of our dedication to, and enforcement of, ethics and compliance policies governing each employee's day-to-day responsibilities and the consequences of violations of these policies. Any employee who fails to abide by our ethics and compliance standards may be subject to appropriate disciplinary action following an investigation and/or termination.

- **Response and Corrective Action for Detected Problems**

Lexicon takes a prompt response to investigate and correct any identified violations of its Compliance Program. All employees are expected to report any suspected compliance issues or concerns they may have through its Compliance Hotline or other lines of reporting. All reported compliance issues will be reviewed, investigated and remediated as deemed appropriate on a case-by-case basis.

For purposes of complying with the California Health and Safety Code Sections 119400 to 119402, and as part of Lexicon's compliance program, the Company has established an annual dollar limit of \$2,000 for spending on promotional materials, educational items, food, and other items or activities that it may provide to a healthcare professional in California, as defined in the statute. Consistent with California Law, this annual dollar limit does not include drug samples given to healthcare professionals intended for free distribution to patients, financial support for continuing medical education, financial support for health educational scholarships, or payments for legitimate professional services provided by healthcare professionals. Lexicon's annual aggregate limit on covered promotional expenditures is \$2,000 per covered healthcare professional, for promotional materials and related activities provided to California healthcare professionals. This annual aggregate limit is intended to establish an upper spending limit on items covered under the California statute. The limit may be revised at any time based on a variety of factors.

A copy of this Declaration can be obtained by contacting us at 281- 863- 3000 or toll free 855- 828-4651.