

XENOPORT, INC.

Notice of Fundamental Change

CUSIP No. 98411CAB6

July 12, 2016

To the Holders of 2.50% Convertible Senior Notes due 2022 issued by XenoPort, Inc.:

Ladies and Gentlemen:

Reference is made to the Indenture dated as of February 3, 2015 (the “*Indenture*”) between Xenoport, Inc., a Delaware corporation, as issuer (the “*Company*”), and U.S. Bank National Association, as trustee (the “*Trustee*”) relating to the Company’s 2.50% Convertible Senior Notes due 2022 (the “*Notes*”). Capitalized terms used herein and not otherwise defined shall have the respective meanings accorded to such terms in the Indenture.

This Notice constitutes a Fundamental Change Company Notice and, pursuant to Section 15.02(c) of the Indenture, notice is hereby given that:

- (i) The Company entered into that certain Agreement and Plan of Merger, dated as of May 21, 2016, with Arbor Pharmaceuticals, LLC, a Delaware limited liability company (“*Parent*”), and AP Acquisition Sub, Inc. a Delaware corporation and a wholly owned subsidiary of Parent (“*Purchaser*”), pursuant to which, effective as of July 5, 2016, Purchaser merged with and into the Company (the “*Merger*”). Upon the effectiveness of the Merger, the Company is the surviving corporation and a wholly owned subsidiary of Parent. The Merger constitutes a “Fundamental Change” under and as defined in the Indenture. Pursuant to Section 15.02 of the Indenture, upon the occurrence of such Fundamental Change, each Holder has the right, at such Holder’s option, to require the Company to repurchase for cash all of such Holder’s Notes, or any portion thereof and, pursuant to this Notice, the Company shall purchase all such Notes so required to be repurchased by each such Holder, all in accordance with the terms and conditions of the Indenture.
- (ii) The date of the Fundamental Change described above is July 5, 2016.
- (iii) The last date on which a Holder may exercise the repurchase right pursuant to Article 15 of the Indenture and this Notice is prior to the close of business on **August 10, 2016**.
- (iv) The repurchase price (expressed as a percentage of principal amount) of each Note to be repurchased is cash equal to 100.00% of the principal amount thereof, *plus* accrued and unpaid interest, if any, thereon to, but excluding, the

Fundamental Change Repurchase Date (the “*Fundamental Change Repurchase Price*”).

- (v) The repurchase date (the “*Fundamental Change Repurchase Date*”) is **August 11, 2016**.
- (vi) The name and address of the Paying Agent and the Conversion Agent is as follows:

U.S. Bank National Association, as Paying Agent and Conversion Agent
100 Wall Street, Suite 600
New York, New York 10005
Attention: XenoPort Corporate Trust Administrator
- (vii) Pursuant to Article 14 of the Indenture, by reason of the occurrence of the Fundamental Change, the Notes are now convertible into cash (the consideration received by the holders of Common Stock in connection with the Fundamental Change) using a Conversion Rate of \$655.86 per \$1,000 principal amount of Notes.
- (viii) Once a Fundamental Change Repurchase Notice (as defined below) has been delivered by a Holder, Notes may only be converted if the Holder withdraws the Fundamental Change Repurchase Notice in accordance with the terms of the Indenture, including without limitation, Section 15.03 thereof.
- (ix) Any repurchase of Notes under Section 15.02 and pursuant to the terms of this Notice shall be made upon, and the receipt by the Holder of the Fundamental Change Repurchase Price therefor is conditioned upon:
 - (a) if the Notes are Physical Notes, delivery to the Paying Agent by a Holder of a duly completed notice in the form set forth in Exhibit A attached hereto or, if the Notes are Global Notes, compliance with the procedures of The Depository Trust Company (the “*Depository*”) for surrendering interests in Global Notes, in each case, prior to the close of business on the Business Day immediately preceding the Fundamental Change Repurchase Date (a “*Fundamental Change Repurchase Notice*”); and
 - (b) if the Notes are Physical Notes, delivery of the Notes to the Paying Agent at any time after delivery of the Fundamental Change Repurchase Notice (together with all necessary endorsements for transfer) at the address indicated in paragraph (vi) above, or, if the Notes are Global Notes, book-entry transfer of the Notes in compliance with the procedures of the Depository.
- (x) On or before 11:00 a.m. New York City time on the Fundamental Change Repurchase Date, the Company shall deposit with the Trustee a sufficient amount

of funds to make payment on all the Notes or portions thereof that are to be repurchased on such Fundamental Change Repurchase Date, and, upon the deposit of such funds, with respect to the Notes that have been properly surrendered for repurchase and have not been validly withdrawn in accordance with the provisions of the Indenture, (i) such Notes will cease to be outstanding, (ii) interest will cease to accrue on such Notes (whether or not book-entry transfer of the Notes has been made or the Notes have been delivered to the Trustee or the Paying Agent) and (iii) all other rights of the Holder of such Notes will terminate (other than the right to receive the Fundamental Change Repurchase Price).

- (xi) No representation is made as to the correctness or accuracy of the CUSIP number listed in this Fundamental Change Company Notice or printed on the Notes.

[Signature page follows]

If you have any questions regarding this notice, please contact either:

Trustee:

U.S. Bank National Association
60 Livingston Avenue
St. Paul, Minnesota 55107-2292
Attention: Specialized Finance Department
Phone: 1-800-934-6802

Company:

XenoPort, Inc.
Six Concourse Parkway, Suite 1800
Atlanta, Georgia 30328
Attention: Jason McCarthy, Chief Financial Officer
Phone: 678-334-2423
Fax: 678-681-1369

Very truly yours,

XENOPORT, INC.

By: _____


Name: Jason McCarthy

Title: Chief Financial Officer

[FORM OF FUNDAMENTAL CHANGE REPURCHASE NOTICE]

To: XenoPort, Inc.

To: U.S. Bank National Association, as Trustee Attention: XenoPort Corporate Trust Administrator

The undersigned registered owner of this Note hereby acknowledges receipt of a notice from XenoPort, Inc. (the “**Company**”) as to the occurrence of a Fundamental Change with respect to the Company and specifying the Fundamental Change Repurchase Date and requests and instructs the Company to pay to the registered holder hereof in accordance with Section 15.02 of the Indenture referred to in this Note (1) the entire principal amount of this Note, or the portion thereof (that is \$1,000 principal amount or a multiple thereof) below designated, and (2) if such Fundamental Change Repurchase Date does not fall during the period after a Regular Record Date and on or prior to the corresponding Interest Payment Date, accrued and unpaid interest, if any, thereon to, but excluding, such Fundamental Change Repurchase Date. Capitalized terms used herein but not defined shall have the meanings ascribed to such terms in the Indenture.

In the case of Physical Notes, the certificate numbers of the Notes to be repurchased are as set forth below:

Dated: _____

Signature(s)

Social Security or Other
Taxpayer Identification Number

Principal amount to be repurchased (if less than all):,

\$ _____,000

NOTICE: The above signature(s) of the Holder(s) hereof must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement or any change whatever.