

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

In re VIROPHARMA INCORPORATED
SECURITIES LITIGATION

Civil Action No. 2:12-cv-02714

CLASS ACTION

This Document Relates To:

NOTICE OF PENDENCY of CLASS ACTION AND
PROPOSED SETTLEMENT AND MOTION FOR
ATTORNEYS' FEES AND EXPENSES

ALL ACTIONS.

If you purchased or otherwise acquired ViroPharma Securities during the period between December 14, 2011 and April 9, 2012, inclusive (the "Class Period"), and were damaged thereby, you may be entitled to receive money from a class action settlement.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

The purpose of this Notice is to inform you of: (a) the pendency of this Action; (b) the proposed Settlement of the Action on the terms set forth in the Stipulation and Agreement of Settlement, dated as of April 28, 2015 (the "Settlement Agreement");¹ and (c) the hearing to be held by the Court (the "Settlement Hearing") to consider: (i) whether the Settlement should be approved; (ii) whether the Plan of Allocation for the proceeds of the Settlement should be approved; (iii) the application of Lead Counsel for attorneys' fees and expenses; and (iv) certain other matters. This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class.²

- If approved by the Court, the Settlement will provide a total recovery of **\$8 million** in cash. The securities at issue in the Action are: ViroPharma's publicly traded common stock; its 2.0% Senior Convertible Notes due 2017 ("Notes"); and its exchange-traded call and put options (listed in Table 1 below) (collectively, "ViroPharma Securities").
- The Settlement resolves claims by Carpenters' Local 27 Defined Benefit Trust Fund (referred to as the "Lead Plaintiff") brought as a class action, alleging that ViroPharma Incorporated ("ViroPharma or the "Company"), misled investors regarding the Company's ability to maintain its exclusive marketing of Vancocin; avoids the costs and risks of continuing the litigation; pays money to Settlement Class Members; and releases Defendants (defined below) from liability.
- **If you are a Settlement Class Member, your legal rights will be affected by this Settlement whether you act or do not act. Please read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A PROOF OF CLAIM FORM BY SEPTEMBER 21, 2015	The <u>only</u> way to get a payment.
EXCLUDE YOURSELF BY OCTOBER 8, 2015	You will get no payment. This is the only option that, assuming your claim is timely brought, might allow you to ever bring or be part of any other lawsuit against the Defendants and/or the other Released Defendant Parties concerning the Released Claims.
OBJECT BY OCTOBER 8, 2015	Write to the Court about why you do not like the Settlement, the Plan of Allocation, the Fee and Expense Application, and/or any other matter relating to the Settlement.
GO TO A HEARING ON OCTOBER 29, 2015	Ask to speak in Court about the Settlement.
DO NOTHING	You will get no payment, you will give up rights, and you will still be bound by the Settlement.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to all Settlement Class Members who timely submit a valid Proof of Claim form, if the Court approves the Settlement and after any appeals are resolved. Please be patient.

¹ The Settlement Agreement and all of its exhibits can be viewed at www.ViroPharmaSecuritiesLitigation.com and at www.labaton.com.

² All capitalized terms not otherwise defined in this Notice shall have the same meanings as set forth in the Settlement Agreement.

SUMMARY OF THE NOTICE

Statement of Plaintiffs' Recovery

Lead Plaintiff has entered into a proposed Settlement with all Defendants that, if approved by the Court, will resolve this Action in its entirety. Pursuant to the Settlement, a Settlement Fund consisting of \$8 million in cash, including any accrued interest, has been established. Based on Lead Plaintiff's consulting expert's estimate of the number of ViroPharma Securities entitled to participate in the Settlement, and assuming that all investors entitled to participate do so, Lead Plaintiff estimates that the average recovery, before deduction of Court-approved fees and expenses, such as attorneys' fees, litigation expenses, and administrative costs, would be: approximately \$0.49 per allegedly damaged common share; and approximately \$2.13 per allegedly damaged Note.³ After deduction of the attorneys' fees and litigation expenses discussed below, the average recovery per allegedly damaged common share would be approximately \$0.33 per share and approximately \$1.42 per Note. A Settlement Class Member's actual recovery will be a portion of the Net Settlement Fund, determined by comparing his, her, or its "Recognized Loss" to the total Recognized Losses of all Settlement Class Members who timely submit valid Proofs of Claim, as described more fully below. An individual Settlement Class Member's actual recovery will depend on, for example: (a) the total amount of Recognized Losses of other Settlement Class Members; (b) how many securities a Settlement Class Member purchased or acquired during the Class Period; (c) the purchase price(s) paid; (d) the date of the purchase(s); and (e) whether and when the Settlement Class Member sold his, her, or its ViroPharma Securities. See the Plan of Allocation beginning on page 10 for information on your Recognized Loss.

Statement of Potential Outcome of Case

The Settling Parties disagree about both liability and damages and do not agree on the damages that would be recoverable if Lead Plaintiff were to prevail on each claim asserted against Defendants. The issues on which the Settling Parties disagree include, for example: (a) whether the statements made or facts allegedly omitted were materially false or misleading, or otherwise actionable under the federal securities laws; (b) whether any allegedly materially false or misleading statements made by Defendants were made with the requisite level of intent or recklessness; (c) the amounts by which the prices of ViroPharma Securities were allegedly artificially inflated (or deflated in the case of put options), if at all, during the Class Period; (d) the appropriate economic models for determining the amounts by which the prices of ViroPharma Securities were allegedly artificially inflated (or deflated in the case of put options), if at all, during the Class Period; (e) the extent to which external factors, such as general market, economic and industry conditions, or unusual levels of volatility, influenced the trading prices of ViroPharma Securities at various times during the Class Period; (f) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading prices of ViroPharma Securities during the Class Period; and (g) the extent to which the alleged omission of various allegedly adverse material facts influenced (if at all) the trading prices of ViroPharma Securities during the Class Period.

Defendants have denied and continue to deny all claims of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged in the Action, including any violations of the federal securities laws or any other legal obligation or duty potentially giving rise to the Released Claims. Defendants have denied and continue to deny each of the claims alleged by Lead Plaintiff on behalf of the Settlement Class, including all claims in the Complaint. Defendants believe that they have meritorious defenses to all claims asserted or that could have been asserted based on the allegations in the Complaint. Defendants also have denied and continue to deny, among other things, that: Lead Plaintiff and the Settlement Class have suffered damages; the prices of ViroPharma Securities were artificially inflated (or deflated in the case of put options) by reason of the alleged misrepresentations or non-disclosures; and Lead Plaintiff and the Settlement Class were otherwise harmed in any way by the conduct alleged in the Complaint. Moreover, Defendants believe that the evidence developed to date supports their position and assert that the Action has no merit. Nonetheless, Defendants have concluded that continuation of the Action would be protracted and expensive, and have taken into account the uncertainty and risks inherent in any litigation, especially a complex case like this Action, and believe that the Settlement set forth in this Settlement Agreement is in the best interests of the Company.

Statement of Attorneys' Fees and Expenses Sought

The attorneys representing Lead Plaintiff and the Settlement Class have expended considerable time and effort in prosecuting this Action on a contingent-fee basis and have incurred substantial expenses, with the expectation that if they were successful in obtaining a recovery for the Settlement Class they would be paid from such recovery. In this type of litigation, it is customary for plaintiffs' counsel to be awarded a percentage of the common fund recovered as attorneys' fees.

³ An allegedly damaged share might have been traded more than once during the Class Period, and the average recovery indicated above represents the estimated average for each purchase of a share that allegedly incurred damages.

Lead Counsel, on behalf of all Plaintiff's Counsel, will make an application to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 30% of the Settlement Fund, which includes any interest earned on such amount at the same rate and for the same period as earned by the Settlement Fund. Lead Counsel will also apply for payment of litigation expenses incurred in prosecuting the Action in an amount not to exceed \$275,000, plus any interest earned on such amount at the same rate as earned by the Settlement Fund. Lead Counsel's Fee and Expense Application may include a request for an award to Lead Plaintiff for reimbursement of its reasonable costs and expenses, including lost wages, directly related to its representation of the Settlement Class in an amount not to exceed \$10,000. If the Court approves the Fee and Expense Application in full, the average amount of fees and expenses will be approximately \$0.16 per allegedly damaged common share and approximately \$0.71 per allegedly damaged Note.

Identification of Attorneys' Representatives

Lead Plaintiff and the Settlement Class are being represented by Labaton Sucharow LLP, the Court-appointed Lead Counsel. Any questions regarding the Settlement should be directed to Jonathan Gardner, Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, (888) 219-6877, www.labaton.com, or settlementquestions@labaton.com.

Reasons for the Settlement

For Lead Plaintiff, the principal reason for the Settlement is the immediate benefit of a substantial cash recovery to the Settlement Class. This benefit must be compared to the uncertainty of being able to prove the allegations in the Complaint; the uncertainty of having a class certified; the risk that the Court may grant, in whole or in part, some or all of the anticipated motions for summary judgment to be filed by Defendants; the uncertainty inherent in the Settling Parties' various and competing theories of liability, loss causation and damages; the attendant risks of litigation, especially in complex actions such as this, as well as the difficulties and delays inherent in such litigation (including any appeals).

For Defendants, who deny all allegations of wrongdoing or liability whatsoever and deny that any Settlement Class Members were damaged, the principal reasons for entering into the Settlement are to bring to an end the substantial burden, expense, uncertainty, and risk of further litigation.

BASIC INFORMATION

1. Why did I get this notice package?

The Court authorized that this Notice be sent to you because you or someone in your family may have purchased or otherwise acquired ViroPharma Securities during the period between December 14, 2011 and April 9, 2012, inclusive.

If this description applies to you or someone in your family, you have a right to know about the Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

This Notice explains the lawsuit, the Settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this Action is the United States District Court for the Eastern District of Pennsylvania, and the case is known as *In re ViroPharma Incorporated Securities Litigation*, Civil Action No. 2:12-cv-02714-JP. The Action is assigned to the Honorable C. Darnell Jones, II, United States District Judge.

The institution that is suing and leading the Action, Carpenters' Local 27 Defined Benefit Fund, is called the Lead Plaintiff and was appointed by the Court. The company being sued is ViroPharma. The people being sued are Vincent J. Milano, Charles A. Rowland, Thomas F. Doyle, and J. Peter Wolf, and are referred to as the Individual Defendants. Together, ViroPharma and the Individual Defendants are called the Defendants.

2. What is this lawsuit about?

ViroPharma develops, licenses, and markets pharmaceutical products. The Company marketed and sold Vancocin, an antibiotic drug primarily used to treat Clostridium Difficile Associated Diarrhea ("CDAD"), and no generic for Vancocin was approved by the FDA.

On October 19, 2012, Lead Plaintiff filed the Amended Class Action Complaint for Violation of the Federal Securities Laws (the "Complaint") asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934.

The Complaint alleges, among other things, that Defendants, while in possession of nonpublic, material information from the Food and Drug Administration (“FDA”), made false and misleading statements to the market that contradicted what the FDA had told them. Specifically, the Complaint alleges that in December 2011, after the FDA approved ViroPharma’s supplemental New Drug Application (“sNDA”) to revise the package labeling for Vancocin, Defendants told the market that ViroPharma met the qualifications for an additional three years of marketing exclusivity for Vancocin based on the approved sNDA and a new law that allowed for exclusivity if the applicant could show that the drug could be used for a new “condition of use.” The Complaint further alleges, however, that the FDA had previously told Defendants privately on several occasions that the clinical studies upon which ViroPharma based its exclusivity application—the Genzyme Studies—were not adequate and well-controlled trials as to Vancocin. The Complaint alleges that this was important because an adequate and well-controlled trial was a prerequisite to establishing that Vancocin could be used to treat a new “condition of use.”

Lead Plaintiff further alleges that the truth about Vancocin was not disclosed to investors until the opening of trading on April 10, 2012, when the Company issued a press release announcing the FDA’s decision denying ViroPharma’s application for an additional three years of marketing exclusivity because Vancocin’s new label did not reflect a new condition of use or new indication. The press release further disclosed that the FDA simultaneously approved applications for generic versions of Vancocin from three different manufacturers. Lead Plaintiff contends that, upon these disclosures, the artificial inflation (or deflation in the case of put options) created by Defendants’ false and misleading public statements regarding the Company’s ability to exclusively market Vancocin was removed from the trading prices of ViroPharma Securities, damaging Lead Plaintiff and members of the Settlement Class.

Defendants deny all material allegations of the Complaint and deny that they misled the market in any way. Defendants assert, among other things, that they were not advised during the Class Period how the FDA would rule on the Company’s exclusivity request, that the request involved the interpretation of a new statute, that the FDA had not even made a determination until the end of the Class Period and, in any event, Defendants had repeatedly warned the market that the FDA might deny the Company’s application.

On December 20, 2012, Defendants filed a motion seeking the dismissal of the Complaint. On May 16, 2014, following briefing and oral argument on Defendants’ motion, Judge Jones issued an order denying Defendants’ motion. Following Judge Jones’ order, Defendants filed a Motion for Certification of Interlocutory Appeal of the Court’s May 16, 2014 Order Denying Defendants’ Motion to Dismiss, seeking appellate court review of the Court’s denial of Defendants’ motion to dismiss. Following briefing, the Court denied Defendants’ motion to permit an interlocutory appeal. Lead Plaintiff then began discovery.

Thereafter, the Settling Parties discussed the utility of engaging a neutral mediator for the purpose of exploring a resolution of the Action. To that end, the Settling Parties agreed to engage the Honorable Layn R. Phillips (Ret.) (“Judge Phillips”), a former United States District Judge with extensive experience mediating complex securities class actions. Prior to and in connection with the mediation, Defendants produced over 40,000 pages of non-public, core documents, which were reviewed and analyzed by Lead Counsel. Lead Plaintiff and Defendants also exchanged lengthy and detailed mediation briefs in preparation for the mediation.

On January 5, 2015, counsel for Lead Plaintiff and Defendants, along with representatives of ViroPharma and ViroPharma’s insurers, met for a day-long mediation with Judge Phillips. The Settling Parties, however, were unable to reach an agreement as to the terms of a proposed settlement. After the mediation and continuing until February 5, 2015, the Settling Parties continued to engage in extensive and protracted settlement discussions facilitated by Judge Phillips. On February 5, 2015, the Settling Parties agreed in principle to the Settlement, which was thereafter memorialized in the Settlement Agreement.

Defendants deny the allegations of wrongdoing and any liability whatsoever.

3. Why is this a class action?

In a class action, one or more persons or entities (in this case, Lead Plaintiff), sue on behalf of people and entities who have similar claims. Together, these people and entities are a “class,” and each is a “class member.” Bringing a case, such as this one, as a class action allows the adjudication of many similar claims of persons and entities that might be economically too small to bring as individual actions. One court resolves the issues for all class members at the same time, except for those who exclude themselves, or “opt-out,” from the class.

4. Why is there a settlement?

With the assistance of Judge Phillips acting as a mediator, the Settling Parties agreed to the Settlement summarized herein and set forth in the Settlement Agreement. The Settlement will end all the claims against Defendants in the Action and will avoid the uncertainties and costs of further litigation and any future trial. Affected investors will be eligible to receive compensation immediately, rather than after the time it would take to resolve future motions, conduct discovery, have a trial, and exhaust all appeals. Lead Plaintiff and Lead Counsel think the Settlement is in the best interests of the Settlement Class.

WHO IS IN THE SETTLEMENT

To be eligible for a payment from the proceeds of the Settlement, you must be a Settlement Class Member.

5. How do I know if I am part of the Settlement?

The Court has directed, for the purpose of the proposed Settlement, that everyone who fits this description is a Settlement Class Member and subject to the Settlement, unless they are an excluded person (see Question 6 below) or take steps to exclude themselves (see Question 13 below):

All Persons that purchased or otherwise acquired ViroPharma Securities between December 14, 2011 and April 9, 2012, inclusive, and were damaged thereby.

If one of your mutual funds purchased ViroPharma Securities during the Class Period, that alone does not make you a Settlement Class Member. You are a Settlement Class Member only if you individually purchased or acquired ViroPharma Securities during the Class Period. Check your investment records or contact your broker to see if you purchased ViroPharma Securities during the Class Period.

6. Are there exceptions to being included in the Settlement Class?

Yes. There are some people who are excluded from the Settlement Class by definition. Excluded from the Settlement Class are: Defendants; the Company's officers, directors, and employees during the Class Period; the Company's successors, and assigns; any person, entity, firm, trust, corporation or other entity related to, affiliated with, or controlled by any of the Defendants, as well as the Immediate Families of the Individual Defendants.

Also excluded from the Settlement Class is anyone who submits a valid and timely request for exclusion from the Settlement Class, in accordance with the procedures set forth in Question 13 below.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included in the Settlement, you can ask for free help. You can call the Claims Administrator toll-free at (844) 322-8240, send an e-mail to the Claims Administrator at Info@ViroPharmaSecuritiesLitigation.com, or write to the Claims Administrator at *ViroPharma Inc. Securities Litigation*, c/o GCG, P.O. Box 10179, Dublin, OH 43017-3179. Or you can fill out and return the Proof of Claim form described in Question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims (defined below) against the Released Defendant Parties (defined below), Defendants have agreed to create an Eight Million Dollar (\$8,000,000.00) cash fund, which will earn interest, to be distributed, after the deduction of Court-approved fees and expenses, among all Settlement Class Members who submit valid Proof of Claim forms and are found by the Court to be entitled to a distribution from the Net Settlement Fund ("Authorized Claimants").

9. How much will my payment be?

If you are an Authorized Claimant entitled to a payment, your share of the Net Settlement Fund will depend on several things, including, how many Settlement Class Members timely send in valid Proof of Claim forms; the total amount of Recognized Losses of other Settlement Class Members; how many ViroPharma common shares, Notes, or options you

bought (or sold in the case of put options); how much you paid for them; when you bought them; and whether or when you sold your securities, and if so, for how much you sold them.

You can calculate your Recognized Loss in accordance with the formulas shown below in the Plan of Allocation. It is unlikely that you will receive a payment for all of your Recognized Loss. See the Plan of Allocation of Net Settlement Fund on pages 10-14 for more information on your Recognized Loss.

HOW TO RECEIVE A PAYMENT: SUBMITTING A PROOF OF CLAIM FORM

10. How can I receive a payment?

To qualify for a payment, you must submit a timely and valid Proof of Claim form. A Proof of Claim form is included with this Notice. If you did not receive a Proof of Claim form, you can obtain one on the Internet at the websites for the Claims Administrator: www.ViroPharmaSecuritiesLitigation.com, or Lead Counsel: www.labaton.com. You can also ask for a Proof of Claim form by calling the Claims Administrator toll-free at (844) 322-8240.

Please read the instructions carefully, fill out the Proof of Claim form, include all the documents the form requests, sign it, and mail or submit it to the Claims Administrator so that it is **postmarked or received no later than September 21, 2015**.

11. When will I receive my payment?

The Court will hold a hearing on **October 29, 2015** to decide, among other things, whether to finally approve the Settlement. Even if the Court approves the Settlement, there may be appeals which can take time to resolve, perhaps more than a year. It also takes a long time for all of the Proofs of Claim to be accurately reviewed and processed. Please be patient.

12. What am I giving up to receive a payment or stay in the Settlement Class?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that, upon the "Effective Date," you will release all "Released Claims" (as defined below) against the "Released Defendant Parties" (as defined below).

"Released Claims" means any and all claims, rights, causes of action, duties, controversies, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, losses, judgments, liabilities, allegations and arguments of every nature and description, including both known claims and Unknown Claims (defined below), whether arising under federal, state, local, foreign or statutory law, common law or administrative law, or any other law, rule or regulation, at law or in equity, whether class or individual in nature, whether fixed or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, that Lead Plaintiff or any other Settlement Class Member: (i) asserted in the Action; or (ii) could have asserted in the Action or any other action or in any forum, that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act involved, set forth, or referred to in the complaints filed in the Action and that relate to the purchase of ViroPharma's Securities during the Class Period. For the avoidance of doubt, Released Claims do not include: (i) claims to enforce the Settlement; and (ii) any governmental or regulatory agency's claims in any criminal or civil action against any of the Released Defendant Parties.

"Released Defendant Parties" means Defendants, and their respective current and former parents, subsidiaries, affiliates, trustees, officers, directors, principals, employees, agents, employers, controlling persons, partners, insurers, reinsurers, auditors, accountants, advisors, financial advisors, investment advisors, commercial bank lenders, investment bankers, creditors, administrators, estates, legal representatives, heirs, attorneys, predecessors, successors or assigns, divisions, joint ventures, general or limited partners or partnerships, limited liability companies and any trust of which any Individual Defendant is the settlor or which is for the benefit of a member of their Immediate Family; and, as to each of the foregoing, their respective current and former legal representatives, heirs, successors and assigns.

"Unknown Claims" means any and all Released Claims which Lead Plaintiff, any other Settlement Class Member or any other Released Plaintiff Party does not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendants' Claims that any Defendant or any other Released Defendant Party does not know or suspect to exist in his, her or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants' Claims, the Settling Parties stipulate and agree

that, upon the Effective Date, Lead Plaintiff and the Defendants shall expressly, and each other Settlement Class Member, Released Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by Cal. Civ. Code § 1542, or any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff, the other Settlement Class Members, the Released Plaintiff Parties, the Defendants and the Released Defendant Parties acknowledge that they may hereafter discover facts in addition to or different from those which any of them or their counsel now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants' Claims, but Lead Plaintiff and the Defendants shall expressly, fully, finally and forever settle and release, and each other Settlement Class Member, Released Plaintiff Parties and Released Defendant Parties shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims that now exist or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, without regard to the subsequent discovery or existence of such different or additional facts, without regard to whether those facts were concealed or hidden. Lead Plaintiff and the Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a key element of the Settlement.

The "Effective Date" will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal.

If you remain a member of the Settlement Class, all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendant Parties on your own concerning the Released Claims, then you must take steps to remove yourself from the Settlement Class. This is called excluding yourself or "opting out." **Please note:** if you decide to exclude yourself, there is a risk that any lawsuit you may thereafter file to pursue claims alleged in the Action may be dismissed, including if such suit is not filed within the applicable time periods required for filing suit. Also, ViroPharma may terminate the Settlement if Settlement Class Members who purchased in excess of a certain amount of ViroPharma Securities seek exclusion from the Settlement Class.

13. How do I exclude myself from the Settlement Class?

To exclude yourself from the Settlement Class, you must mail a signed letter stating that you "wish to be excluded from the Settlement Class in *In re ViroPharma Incorporated Securities Litigation*, Civil Action No. 2:12-02714." You cannot exclude yourself by telephone or e-mail. Your letter must state the date(s), price(s), and number(s) of ViroPharma common shares, Notes, and options purchased, acquired, or sold during the Class Period. Your letter must include your name, mailing address, telephone number, e-mail address, and your signature. You must submit your exclusion request so that it is **received no later than October 8, 2015** to:

ViroPharma Inc. Securities Litigation
c/o GCG
P.O. Box 10179
Dublin, OH 43017-3179

Your exclusion request must comply with these requirements in order to be valid. If you ask to be excluded, you will not receive any settlement payment, and you cannot object to the Settlement. Moreover, if you submit a valid exclusion request, you will not be legally bound by anything that happens in connection with the Settlement, and you may be able to sue (or continue to sue) Defendants and the other Released Defendant Parties in the future.

14. If I do not exclude myself, can I sue Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you properly exclude yourself, you remain in the Settlement Class and you give up any rights to sue Defendants and the other Released Defendant Parties for any and all Released Claims. If you do not exclude yourself, you will not be entitled to receive any recovery in any other action against any of the Released Defendant Parties based on or arising out of the Released Claims. If you have a pending lawsuit, **speak to your lawyer in that case immediately**. You must exclude yourself from this Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **October 8, 2015**.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Defendant Parties.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firm of Labaton Sucharow LLP to represent all Settlement Class Members. These lawyers are called Lead Counsel.

You will not be separately charged for these lawyers. The Court will determine the amount of Plaintiff's Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Plaintiff's Counsel have not been paid for any of their work. Lead Counsel will ask the Court to award them, on behalf of all Plaintiff's Counsel, attorneys' fees of no more than 30% of the Settlement Fund, which includes interest on such fees at the same rate as earned by the Settlement Fund. Lead Counsel will also seek payment of litigation expenses incurred by Plaintiff's Counsel in connection with the prosecution of the Action of no more than \$275,000, plus interest on such expenses at the same rate as earned by the Settlement Fund. Lead Plaintiff may apply for reimbursement of its expenses in representing the Settlement Class in an amount not to exceed \$10,000.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How do I tell the Court that I do not like something about the proposed Settlement?

If you are a Settlement Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation of the Net Settlement Fund, and/or the Fee and Expense Application. You may give reasons why you think the Court should not approve any or all of the Settlement terms or arrangements. If you would like the Court to consider your views, you must file a proper objection within the deadline, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement, the proposed Plan of Allocation, and/or the Fee and Expense Application in "*In re ViroPharma Incorporated Securities Litigation*, Civil Action No. 2:12-02714." You must include your name, address, telephone number, e-mail address, and signature; identify the date(s), price(s), and number(s) of ViroPharma common shares, Notes, and options purchased, acquired, or sold during the Class Period; and state the reasons why you object, which part(s) of the Settlement you object to and include any legal support and/or evidence, including witnesses that support your objection. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the Plan of Allocation, and/or the Fee and Expense Application. Your objection must be filed with the Court **and** mailed or delivered to the following counsel so that it is **received no later than October 8, 2015**:

THE COURT

Clerk of the Court
 United States District Court for the
 Eastern District of Pennsylvania
 James A. Byrne U.S. Courthouse
 601 Market Street
 Philadelphia, PA 19106

LEAD COUNSEL

LABATON SUCHAROW LLP
 Jonathan Gardner, Esq.
 140 Broadway
 New York, NY 10005

DEFENDANTS' COUNSEL

MORGAN, LEWIS & BOCKIUS LLP
 Marc J. Sonnenfeld, Esq.
 1701 Market Street
 Philadelphia, PA 19103

You do not need to attend the Settlement Hearing to have your written objection considered by the Court. Any Settlement Class Member who has not submitted a request for exclusion from the Settlement Class and who has complied with the procedures set out in this Question 18 and below in Question 22 may appear at the Settlement Hearing and be heard, to the extent allowed by the Court, about any objection to the Settlement, the Plan of Allocation, and/or Lead Counsel's Fee and Expense Application. Any such objector may appear in person or arrange, at his, her, or its own expense, for a lawyer to represent him, her, or it at the Settlement Hearing.

19. What is the difference between objecting and seeking exclusion?
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Objecting is telling the Court that you do not like something about the proposed Settlement, Plan of Allocation, or Fee and Expense Application. You can still recover from the Settlement. You can object *only* if you stay in the Settlement Class.

Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

THE SETTLEMENT HEARING

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold the Settlement Hearing on **October 29, 2015 at 1:00 p.m.**, at the James A. Byrne U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106.

At this hearing, the Court will consider whether: (a) the Settlement is fair, reasonable, and adequate and should be finally approved; (b) the Plan of Allocation is fair, reasonable, and adequate and should be approved; and (c) the application of Lead Counsel for an award of attorneys' fees and payment of litigation expenses, including those of Lead Plaintiff, is reasonable and should be approved. The Court will take into consideration any written objections filed in accordance with the instructions in Question 18. We do not know how long it will take the Court to make these decisions.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Settlement Class Members. If you want to attend the hearing, you should check with Lead Counsel beforehand to be sure that the date and/or time has not changed.

21. Do I have to come to the Settlement Hearing?

No. Lead Counsel will answer any questions the Court may have. But, you are welcome to attend at your own expense. If you submit a valid and timely objection, you do not have to come to Court to discuss it. You may also pay your own lawyer to attend, but it is not required. If you do hire your own lawyer, he or she must file and serve a notice of appearance in the manner described in the answer to Question 22 below.

22. May I speak at the Settlement Hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see Question 18) a statement that it is your intention to appear in "*In re ViroPharma Incorporated Securities Litigation*, Civil Action No. 2:12-02714." Persons who intend to object to the Settlement, the Plan of Allocation, or Lead Counsel's Fee and Expense Application and desire to present evidence at the Settlement Hearing must also include in their objections (prepared and submitted in accordance with the answer to Question 18 above) the identity of any witness they may wish to call to testify and any exhibits they intend to introduce into evidence at the Settlement Hearing. You may not speak at the Settlement Hearing if you exclude yourself from the Settlement Class or if you have not provided written notice of your objection and intention to speak at the Settlement Hearing in accordance with the procedures described in Questions 18 and 22.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing and you are a member of the Settlement Class, you will receive no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Claims. To share in the Net Settlement Fund, you must submit a Proof of Claim form (see Question 10). To start, continue, or be a part of any other lawsuit against Defendants and the other Released Defendant Parties concerning the Released Claims in this case, you must exclude yourself from the Settlement Class (see Question 13).

GETTING MORE INFORMATION

24. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You may review the Settlement Agreement filed with the Court or documents in the case at the Office of the Clerk of the United States District Court for the Eastern District of Pennsylvania, 2609 U.S. Courthouse, 601 Market Street, Philadelphia, PA 19106-1797, on weekdays (other than court holidays) between 8:30 a.m. and 5:00 p.m. Subscribers to PACER, a fee-based service, can also view the papers filed publicly in the Action through the Court's on-line Case Management/Electronic Case Files System at <https://www.pacer.gov>.

You can also get a copy of the Settlement Agreement by calling the Claims Administrator toll free at (844) 322-8240; writing to the Claims Administrator at *ViroPharma Inc. Securities Litigation*, c/o GCG, P.O. Box 10179, Dublin, OH 43017-3179; or visiting the websites of the Claims Administrator or Lead Counsel at www.ViroPharmaSecuritiesLitigation.com, or www.labaton.com, where you will find answers to common questions about the Settlement, can download copies of the Settlement Agreement or Proof of Claim form, and locate other information about the Settlement and whether you are eligible for a payment.

Please do not Call the Court with Questions about the Settlement.

PLAN OF ALLOCATION OF THE NET SETTLEMENT FUND

A. Preliminary Matters

As discussed above, the Settlement provides \$8 million in cash for the benefit of the Settlement Class. The Settlement Amount and the interest earned thereon is the "Settlement Fund." The Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and any other fees or expenses approved by the Court is the "Net Settlement Fund." The Net Settlement Fund will be distributed to Authorized Claimants – *i.e.*, members of the Settlement Class who timely submit valid Proofs of Claim that show a Recognized Loss and are approved by the Court. Settlement Class Members who do not timely submit valid Proofs of Claim will not share in the Settlement proceeds, but will otherwise be bound by the terms of the Settlement. The Court may approve this Plan of Allocation ("Plan of Allocation" or "Plan"), or modify it, without additional notice to the Settlement Class. Any order modifying the Plan of Allocation will be posted on the settlement website at: www.ViroPharmaSecuritiesLitigation.com and at www.labaton.com.

The purpose of this Plan of Allocation is to establish a reasonable and equitable method of distributing the Net Settlement Fund among Authorized Claimants who allegedly suffered economic losses as a result of the alleged violations of the federal securities laws, as opposed to losses caused by market or industry factors or Company-specific factors unrelated to the alleged violations of law. For purposes of determining the amount an Authorized Claimant may recover under this Plan, Lead Counsel has conferred with a consulting damages expert. This Plan is intended to be generally consistent with an assessment of, among other things, the damages that Lead Counsel and Lead Plaintiff believe were recoverable in the Action. The Plan, however, is not a formal damages analysis and the calculations made pursuant to the Plan are not intended to be indicative of the amounts that Settlement Class Members might have been able to recover after a trial.

For losses to be compensable under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price of the security. In this case, Lead Plaintiff alleges that Defendants issued false statements and omitted material facts during the Class Period, which allegedly inflated the prices of ViroPharma publicly traded common stock, Notes, and call options (or deflated the prices of its put options). In order for an Authorized Claimant to share in the distribution of the Net Settlement Fund, the market price of a ViroPharma Security must have declined (or increased in the case of put options) due to disclosure of the alleged false and misleading

statements and omissions. In order for an Authorized Claimant to share in the distribution, the ViroPharma Security must have been purchased during the Class Period (or sold in the case of a written put) and held until at least the close of trading on April 9, 2012 (the last trading day before the alleged corrective disclosure); and the Authorized Claimant must have suffered a Net Trading Loss, as described below.

Because the Net Settlement Fund is less than the total losses alleged to be suffered by Settlement Class Members, the formulas described below for calculating Recognized Losses are not intended to estimate the amount that will actually be paid to Authorized Claimants. Rather, these formulas provide the basis on which the Net Settlement Fund will be distributed on a *pro rata* basis among Authorized Claimants.

The Settlement proceeds available for ViroPharma call options and ViroPharma put options sold (written) during the Class Period shall be limited to a total amount equal to three percent (3%) of the Net Settlement Fund.

Defendants, their respective counsel, and all other Released Defendant Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. Lead Plaintiff, Plaintiff's Counsel, and their agents, likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

B. Certain Definitions Applicable to the Plan of Allocation

1. The "Class Period" is the time period between December 14, 2011 and April 9, 2012, inclusive.
2. "Inflation Loss" is the amount of loss calculated based on the amount of inflation in the price of ViroPharma common stock, notes or call options, or deflation in the price of ViroPharma put options based on the methodology described below.
3. The "PSLRA 90-Day Lookback Period" is the period of ninety calendar days beginning on the trading day following the end of the Class Period, *i.e.*, from Tuesday, April 10, 2012 through Friday, July 6, 2012.
4. "Purchase Amount" is the amount paid (excluding all fees, taxes, and commissions) for ViroPharma Securities purchased or acquired during the Class Period (for written put options, it is the amount paid to close out such positions during the Class Period, excluding all fees, taxes, and commissions).
5. "Sales Proceeds" equals the amount received (excluding all fees, taxes, and commissions) for sales of such ViroPharma Securities sold during the Class Period (for written put options, it is the amount received for opening such a position during the Class Period, excluding all fees, taxes, and commissions).
6. "Trading Gain" means the amount by which the Sales Proceeds exceeds the Purchase Amount for each transaction by a claimant in ViroPharma Securities.
7. "Trading Loss" means the amount by which the Purchase Amount exceeds the Sales Proceeds for each transaction by a claimant in ViroPharma Securities.
8. "ViroPharma Security(ies)" means:
 - ViroPharma's publicly traded common stock
 - ViroPharma's 2.0% Senior Convertible Notes due 2017 ("Notes")
 - ViroPharma's exchange-traded call and put options (listed in Table 1)⁴

C. Computation of Inflation Loss

1. *Inflation Loss for ViroPharma publicly traded common stock*

For each purchase of ViroPharma common stock between December 14, 2011 and April 9, 2012, inclusive, the Inflation Loss for each purchase transaction will be computed (using FIFO matching of purchases to sales as explained below) as follows:

⁴ Table 1 excludes those options that expired before April 10, 2012, the date of the price reaction to the alleged corrective disclosure. Settlement Class Members who purchased call options (or wrote put options) that are excluded from Table 1 do not have a claim compensable from the Net Settlement Fund with respect to those particular securities.

If purchased during the Class Period and:

- a) *sold on or before April 9, 2012*, the last trading day before the corrective disclosure that reduced the amount of inflation in the ViroPharma common stock price, the Inflation Loss for purchased shares matched to such sales is zero;
- b) *sold after April 9, 2012 but on or before July 6, 2012*, the Inflation Loss equals the number of shares purchased matched to such sales in such transaction multiplied by the lesser of: (i) the inflation per share of \$4.37; or (ii) the difference between the purchase price per share and the average closing price per share from April 10, 2012 to the date of sale as shown in Table 2 (but not less than zero);
- c) *held as of the close of trading on July 6, 2012*, the Inflation Loss equals the number of shares purchased matched to such shares held in such transaction multiplied by the lesser of: (i) the inflation per share of \$4.37 or (ii) the difference between the purchase price per share and the Holding Price of \$21.29 per share, which is the average closing price per share during the PSLRA 90-Day Lookback Period.

2. Inflation Loss for ViroPharma Notes

For each purchase of ViroPharma Notes (each \$1,000 of face-value equals one Note) between December 14, 2011 and April 9, 2012, inclusive, the Inflation Loss for each purchase transaction will be computed (using FIFO matching of purchases to sales) as follows:

If purchased during the Class Period and:

- a) *sold on or before April 9, 2012*, the last trading day before the corrective disclosure that reduced the amount of inflation in the ViroPharma Note price, the Inflation Loss for purchased Notes matched to such sales is zero;
- b) *sold after April 9, 2012 but on or before July 6, 2012*, the Inflation Loss equals the number of Notes purchased matched to such sales in such transaction multiplied by the lesser of: (i) the inflation per Note of \$19.11 (per \$1,000 face value); or (ii) the difference between the purchase price per Note and the average closing price per Note from April 10, 2012 to the date of sale as shown in Table 3 (but not less than zero);
- c) *held as of the close of trading on July 6, 2012*, the Inflation Loss equals the number of Notes purchased matched to such Notes held in such transaction multiplied by the lesser of: (i) the inflation per Note of \$19.11 (per \$1,000 face value); or (ii) the difference between the purchase price per Note and the Holding Price of \$131.00 per Note (per \$1,000 face value), which is the average closing price per Note during the PSLRA 90-Day Lookback Period.

3. Inflation Loss for ViroPharma publicly traded call options

Exchange-traded options are typically traded in units called contracts. Each contract entitles the option buyer/owner to 100 shares of the underlying stock upon exercise or expiration. For options, a unit is an option with one hundred shares of ViroPharma common stock as the underlying security.

Inflation Loss: For publicly traded call options on ViroPharma common stock purchased or otherwise acquired between December 14, 2011 and April 9, 2012, inclusive (and not purchased to close a written call), the Inflation Loss for each purchase transaction will be computed (using FIFO matching) as follows (but not less than zero):

- a) *if closed (through sale, exercise or expiration) on or before April 9, 2012*, the last trading day before the corrective disclosure that reduced the amount of inflation in the ViroPharma call options price, the Inflation Loss for call options matched to such sales is zero;
- b) *if open as of the close of trading on April 9, 2012*, the Inflation Loss equals the number of call options purchased or otherwise acquired multiplied by the lesser of: (i) the inflation per call option as shown in Table 1 multiplied by 100; or (ii) the purchase price per call option minus the Holding Price (which is based on closing bid/ask prices on April 10, 2012) per call option as shown in Table 1 multiplied by 100.

4. Inflation Loss for ViroPharma put options

Inflation Loss: For publicly traded put options on ViroPharma common stock written between December 14, 2011 and April 9, 2012, inclusive, the Inflation Loss for each transaction will be computed (using FIFO matching) as follows (but not less than zero):

- a) *if closed (through purchase, assignment or expiration) on or before April 9, 2012, the last trading day before the corrective disclosure that reduced the amount of deflation in the ViroPharma put options price, the Inflation Loss for put options matched to such sales is zero;*
- b) *if open as of the close of trading on April 9, 2012, the Inflation Loss equals the number of put options written multiplied by the lesser of: (i) the deflation per put option as shown in Table 1 multiplied by 100; or (ii) the Holding Price (which is based on closing bid/ask prices on April 10, 2012) per put option as shown in Table 1 minus the price for which the put option was sold multiplied by 100.*

5. Computing Total Inflation Loss

If the Inflation Loss for a transaction is greater than zero, then the claimant has an Inflation Loss for that purchase transaction (or sale transaction for written put options). If the Inflation Loss is less than zero for a transaction, then the claimant has no Inflation Loss for that purchase transaction (or sale transaction for written put options).

Total Inflation Loss for a claimant is the sum of all Inflation Losses for all transactions in all ViroPharma Securities. If a claimant has a Total Inflation Loss for a claimant's purchases of all ViroPharma Securities, the Claims Administrator will then compute the Net Trading Loss (or Gain), as indicated below.

D. Computation of Net Trading Loss (or Gain)

For each purchase transaction (or writing transaction for put options) of ViroPharma Securities between December 14, 2011 and April 9, 2012, inclusive, the Trading Loss (or Gain), using FIFO matching of purchases (writings) to sales, will be computed as follows:

- a) *if sold (or for options, if closed through sale, exercise, assignment or expiration) on or before April 9, 2012, the Trading Loss (Gain) equals the Purchase Amount minus the Sales Proceeds; or*
- b) *if held (or for options, if open) as of the close of trading on April 9, 2012, the Trading Loss (Gain) is:*
 - (i) for common stock, equal to (a) the Purchase Amount minus (b) the number of shares held multiplied by the Holding Price of \$21.29 per share;
 - (ii) for Notes, equal to (a) the Purchase Amount minus (b) the number of Notes held multiplied by the Holding Price of \$131.00 per Note;
 - (iii) for call options, equal to (a) the Purchase Amount minus (b) the number of open call options multiplied by the Holding Price per call option as shown in Table 1 multiplied by 100; or
 - (iv) for put options, equal to (a) the number of open put options multiplied by the Holding Price per put option as shown in Table 1 multiplied by 100 minus (b) the Sales Proceeds.

If the Trading Loss for a transaction is greater than zero, then the claimant has a Trading Loss for that transaction. If the Trading Loss for a transaction is less than zero, then the claimant has a Trading Gain (negative Trading Loss) for that transaction. Net Trading Loss (or Gain) for each claimant will be the sum of all Trading Losses and Trading Gains (negative Trading Losses) for all transactions in all ViroPharma Securities for that claimant.

If a claimant has a Net Trading Gain (Total Trading Gains exceed or are equal to Total Trading Losses) for all transactions in all ViroPharma Securities, the claimant will not be eligible to receive a distribution from the Net Settlement Fund. If there is a Total Inflation Loss and a Net Trading Loss for all of the claimant's transactions in ViroPharma Securities, the Claims Administrator will then compute the Recognized Loss, as indicated below.

E. Computation of Recognized Loss and Pro Rata Share

For all transactions in ViroPharma Securities, if a claimant has a Total Inflation Loss and a Net Trading Loss, the Recognized Loss for each claimant will be the **lesser** of the claimant's: (i) Total Inflation Loss; or (ii) Net Trading Loss.

After all Settlement Class Members have submitted their Proofs of Claim, the payment any Authorized Claimant will get will be his, her, or its *pro rata* share of the Net Settlement Fund. An Authorized Claimant's *pro rata* share will be his, her, or its Recognized Loss divided by the total Recognized Losses of all Authorized Claimants and then multiplied by the total amount in the Net Settlement Fund, after taking into account the amount of the Net Settlement Fund allocated to transactions in put and call options. *Please note that the term "Recognized Loss" is used solely for calculating the amount of participation by Authorized Claimants in the Net Settlement Fund. It is not the actual amount an Authorized Claimant can expect to recover.*

F. Additional Provisions

If a Settlement Class Member has more than one purchase or sale of ViroPharma Securities during the Class Period, all purchases and sales of such securities shall be matched on a FIFO basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Class Period. Sales (purchases in the case of written put options) matched to holdings at the beginning of the Class Period are excluded from the calculation of Inflation Loss and Trading Loss (or Gain). In addition, all sales of common stock, Notes, or call options on or before April 9, 2012 and purchases matched to such sales are excluded from the calculation of Inflation Loss. All purchases to cover written put options on or before April 9, 2012 and such written positions matched to such purchases are also excluded from the calculation of Inflation Loss. Note: Short sales and purchases to cover short sales (whether they occurred before, during, or after the Class Period) are not included when calculating Inflation Loss or Trading Loss (or Gain).

Purchases and sales of ViroPharma Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. With respect to ViroPharma common stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price is the exercise price of the option.

The receipt or grant by gift, inheritance or operation of law of ViroPharma Securities during the Class Period shall not be deemed a purchase or sale for purposes of the calculation of a claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase or sale of such ViroPharma Securities unless: (a) the donor or decedent purchased or otherwise acquired the ViroPharma Securities during the Class Period; (b) no Proof of Claim was submitted by or on behalf of the donor, or the decedent, or by anyone else with respect to such ViroPharma Securities; and (c) it is specifically so provided in the instrument of gift or assignment.

The date of covering a "short sale" is deemed to be the date of purchase of the ViroPharma Security. The date of a "short sale" is deemed to be the date of sale of the ViroPharma Security. In accordance with the Plan of Allocation, however, the Recognized Loss Amount on "short sales" is zero. In the event that a claimant has an opening short position in ViroPharma Securities, the earliest Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

The Net Settlement Fund will be allocated among all Authorized Claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any Authorized Claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

Payment in this manner will be deemed conclusive against all Authorized Claimants. Recognized Losses will be calculated as defined herein by the Claims Administrator and cannot be less than zero.

Distributions to eligible Authorized Claimants will be made after all claims have been processed and after the Court has approved the Claims Administrator's determinations. After an initial distribution of the Net Settlement Fund, if there is any balance remaining in the Net Settlement Fund after at least six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel shall, if feasible and economical, reallocate such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. Lead Counsel shall continue to reallocate and redistribute any balance that still remains in the Net Settlement Fund unless the amounts involved are too small to make individual distributions economically viable. When it is no longer feasible or economical to redistribute the Net Settlement Fund, any balance that still remains after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, shall be contributed to the Council of Institutional Investors, a non-profit organization.

Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Eastern District of Pennsylvania with respect to his, her, or its Proof of Claim.

SPECIAL NOTICE TO SECURITIES BROKERS AND NOMINEES

If you purchased ViroPharma publicly traded common stock (Ticker: VPHM; CUSIP: 928241108), Notes (CUSIP: 928241AH1), or options, during the Class Period for the beneficial interest of a person or organization other than yourself, the Court has directed that, **WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE**, you **MUST EITHER**: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such ViroPharma Security during such time period; or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and **WITHIN SEVEN (7) DAYS** mail the Notice and Proof of Claim form directly to the beneficial owners of that security. If you choose to follow alternative procedure (b), the Court has also directed that, upon such mailing, **YOU MUST SEND A STATEMENT** to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

ViroPharma Inc. Securities Litigation
c/o GCG
P.O. Box 10179
Dublin, OH 43017-3179

Dated: May 22, 2015

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
EASTERN DISTRICT OF PENNSYLVANIA

TABLE 1
Inflation/Deflation and Holding Prices for
ViroPharma Call/Put Options

Expiration Date	Exercise Price	Call Options		Put Options	
		Inflation	Holding Price	Deflation	Holding Price
4/21/2012	\$15.00	\$3.98	\$7.50	\$0.00	\$0.00
4/21/2012	\$17.50	\$3.86	\$5.00	\$0.00	\$0.00
4/21/2012	\$20.00	\$3.73	\$2.65	\$0.01	\$0.18
4/21/2012	\$22.50	\$3.34	\$0.85	\$0.16	\$0.88
4/21/2012	\$25.00	\$2.82	\$0.23	\$1.28	\$2.78
4/21/2012	\$30.00	\$0.32	\$0.00	\$4.03	\$7.65
4/21/2012	\$35.00	\$0.00	\$0.00	\$4.36	\$12.56
4/21/2012	\$40.00	\$0.00	\$0.00	\$4.36	\$17.56
4/21/2012	\$45.00	\$0.00	\$0.00	\$4.36	\$22.56
5/19/2012	\$5.00	\$4.26	\$17.50	\$0.00	\$0.00
5/19/2012	\$7.50	\$4.22	\$15.00	\$0.00	\$0.00
5/19/2012	\$10.00	\$4.15	\$12.45	\$0.00	\$0.00
5/19/2012	\$12.50	\$4.10	\$9.95	\$0.00	\$0.00
5/19/2012	\$15.00	\$3.95	\$8.15	\$0.00	\$0.00
5/19/2012	\$17.50	\$3.81	\$5.25	\$0.01	\$0.28
5/19/2012	\$20.00	\$3.63	\$3.20	\$0.05	\$0.78
5/19/2012	\$22.50	\$3.29	\$1.68	\$0.18	\$1.75
5/19/2012	\$25.00	\$2.82	\$0.80	\$1.50	\$3.20
5/19/2012	\$30.00	\$0.94	\$0.13	\$3.45	\$7.60
5/19/2012	\$35.00	\$0.10	\$0.00	\$4.33	\$12.56
5/19/2012	\$40.00	\$0.00	\$0.00	\$4.33	\$17.56
5/19/2012	\$45.00	\$0.00	\$0.00	\$4.33	\$22.56
8/18/2012	\$15.00	\$3.89	\$8.55	\$0.01	\$0.35
8/18/2012	\$17.50	\$3.73	\$5.85	\$0.02	\$0.73
8/18/2012	\$20.00	\$3.52	\$4.05	\$0.65	\$1.35
8/18/2012	\$22.50	\$3.17	\$2.63	\$1.07	\$2.45
8/18/2012	\$25.00	\$2.76	\$1.58	\$1.60	\$3.95
8/18/2012	\$30.00	\$1.56	\$0.50	\$2.86	\$7.65
8/18/2012	\$35.00	\$0.57	\$0.18	\$4.25	\$12.60
8/18/2012	\$40.00	\$0.16	\$0.00	\$4.24	\$17.56
8/18/2012	\$45.00	\$0.00	\$0.00	\$4.24	\$22.56
11/17/2012	\$15.00	\$3.88	\$8.85	\$0.01	\$0.73
11/17/2012	\$17.50	\$3.73	\$6.80	\$0.46	\$1.38
11/17/2012	\$20.00	\$3.77	\$4.25	\$0.76	\$2.13
11/17/2012	\$22.50	\$3.38	\$2.95	\$1.13	\$2.70
11/17/2012	\$25.00	\$2.77	\$1.95	\$1.60	\$4.00
11/17/2012	\$30.00	\$1.87	\$0.88	\$2.67	\$7.65
11/17/2012	\$35.00	\$0.88	\$0.30	\$3.51	\$12.56
11/17/2012	\$40.00	\$0.45	\$0.00	\$4.16	\$17.56
11/17/2012	\$45.00	\$0.00	\$0.00	\$4.16	\$22.56

TABLE 2**Average 90-Day Look-Back Closing Prices for
ViroPharma Common Stock**

Date	Average Price	Date	Average Price
4/10/2012	\$22.44	5/23/2012	\$20.84
4/11/2012	\$22.15	5/24/2012	\$20.82
4/12/2012	\$22.13	5/25/2012	\$20.80
4/13/2012	\$22.10	5/29/2012	\$20.79
4/16/2012	\$21.86	5/30/2012	\$20.77
4/17/2012	\$21.79	5/31/2012	\$20.76
4/18/2012	\$21.85	6/1/2012	\$20.74
4/19/2012	\$21.85	6/4/2012	\$20.72
4/20/2012	\$21.86	6/5/2012	\$20.70
4/23/2012	\$21.81	6/6/2012	\$20.69
4/24/2012	\$21.74	6/7/2012	\$20.67
4/25/2012	\$21.73	6/8/2012	\$20.67
4/26/2012	\$21.74	6/11/2012	\$20.65
4/27/2012	\$21.76	6/12/2012	\$20.65
4/30/2012	\$21.76	6/13/2012	\$20.65
5/1/2012	\$21.62	6/14/2012	\$20.68
5/2/2012	\$21.54	6/15/2012	\$20.71
5/3/2012	\$21.46	6/18/2012	\$20.74
5/4/2012	\$21.36	6/19/2012	\$20.79
5/7/2012	\$21.30	6/20/2012	\$20.85
5/8/2012	\$21.25	6/21/2012	\$20.89
5/9/2012	\$21.21	6/22/2012	\$20.93
5/10/2012	\$21.19	6/25/2012	\$20.97
5/11/2012	\$21.17	6/26/2012	\$21.01
5/14/2012	\$21.12	6/27/2012	\$21.06
5/15/2012	\$21.09	6/28/2012	\$21.10
5/16/2012	\$21.05	6/29/2012	\$21.15
5/17/2012	\$20.99	7/2/2012	\$21.19
5/18/2012	\$20.93	7/3/2012	\$21.23
5/21/2012	\$20.90	7/5/2012	\$21.26
5/22/2012	\$20.87	7/6/2012	\$21.29

TABLE 3**Average 90-Day Look-Back Closing Prices for
ViroPharma Notes**

Date	Average Price	Date	Average Price
4/10/2012	\$143.25	5/23/2012	\$129.52
4/11/2012	\$138.66	5/24/2012	\$129.44
4/12/2012	\$136.75	5/25/2012	\$129.37
4/13/2012	\$135.98	5/29/2012	\$129.30
4/16/2012	\$135.03	5/30/2012	\$129.24
4/17/2012	\$134.21	5/31/2012	\$129.19
4/18/2012	\$133.63	6/1/2012	\$129.14
4/19/2012	\$133.43	6/4/2012	\$129.09
4/20/2012	\$133.27	6/5/2012	\$129.04
4/23/2012	\$133.16	6/6/2012	\$129.00
4/24/2012	\$133.07	6/7/2012	\$128.96
4/25/2012	\$133.02	6/8/2012	\$128.92
4/26/2012	\$132.98	6/11/2012	\$128.84
4/27/2012	\$133.06	6/12/2012	\$128.77
4/30/2012	\$133.15	6/13/2012	\$128.80
5/1/2012	\$132.67	6/14/2012	\$128.89
5/2/2012	\$132.17	6/15/2012	\$128.97
5/3/2012	\$131.73	6/18/2012	\$129.05
5/4/2012	\$131.34	6/19/2012	\$129.23
5/7/2012	\$131.08	6/20/2012	\$129.40
5/8/2012	\$130.84	6/21/2012	\$129.57
5/9/2012	\$130.67	6/22/2012	\$129.72
5/10/2012	\$130.51	6/25/2012	\$129.88
5/11/2012	\$130.36	6/26/2012	\$130.02
5/14/2012	\$130.23	6/27/2012	\$130.17
5/15/2012	\$130.10	6/28/2012	\$130.30
5/16/2012	\$129.99	6/29/2012	\$130.43
5/17/2012	\$129.88	7/2/2012	\$130.56
5/18/2012	\$129.78	7/3/2012	\$130.69
5/21/2012	\$129.69	7/5/2012	\$130.84
5/22/2012	\$129.60	7/6/2012	\$131.00

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