



Memorandum

To: All Interested Parties

From: Darren W. Alch
Vice President, General Counsel & Compliance Officer
Cyberonics, Inc.

DATE: July 1, 2015

RE: California Health & Safety Code §119400 et seq.

At Cyberonics, we understand that the real value in conducting our business in an honest and ethical manner is the trust it allows us to build with patients, customers and the public. With this in mind, Cyberonics is committed to maintaining an effective and comprehensive compliance plan. Notwithstanding the fact that Cyberonics is a medical device manufacturer, we nevertheless endeavor to maintain our compliance program substantially consistent with the *Compliance Program Guidance for Pharmaceutical Manufacturers* published by the Office of Inspector General of the United States Department of Health and Human Services found at <http://oig.hhs.gov/authorities/docs/03/050503FRCPGPharmac.pdf> (“OIG Guidance”). The Cyberonics Business Practice Standards serve as the principals that guide our conduct. These Business Practice Standards serve as one of the key components of our commitment to the highest standards of corporate conduct.

The compliance program adopted and maintained by Cyberonics is intended to adhere to the OIG Guidance. Consistent with the OIG Guidance, we have tailored our compliance program to the nature of our business as a manufacturer of implantable medical devices. The AdvaMed *Code of Ethics on Interactions with Health Care Professionals*, found at http://www.advamed.org/publicdocs/coe_with_faqs_4-15-05.pdf (“AdvaMed Code”), recognizes that the medical device industry is significantly different than the pharmaceutical industry. While the California law on drug marketing practices specifically refers to the PhRMA Code, we manufacture medical devices rather than pharmaceutical products. Therefore, Cyberonics has adopted the AdvaMed Code and tailored our compliance plan in accordance with the AdvaMed Code, which is substantially similar to the PhRMA Code.

As part of its ongoing efforts in the area of compliance, Cyberonics maintains a comprehensive compliance plan that is designed to comply with applicable state and federal laws related to the promotion and sales of our products. To our knowledge as of the date of this declaration, Cyberonics is, in all material respects, in compliance with California Health & Safety Code §119400-119402.

Copies of this declaration, as well as our Business Practice Standards may be obtained by calling the Compliance Officer at (800) 332-1375, ext. 7248.