

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------|
| 1 Issuer's name POZEN Inc | | 2 Issuer's employer identification number (EIN) 62-1657552 | |
| 3 Name of contact for additional information William Hodges | 4 Telephone No. of contact 919-913-1030 | 5 Email address of contact bhodges@pozen.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1414 Raleigh Road, Suite 400 | | 7 City, town, or post office, state, and Zip code of contact Chapel Hill, NC 27517 | |
| 8 Date of action 12/30/2013 | 9 Classification and description Non-taxable cash distribution | | |
| 10 CUSIP number 73941U102 | 11 Serial number(s) | 12 Ticker symbol POZN | 13 Account number(s) |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **POZEN Inc. distributed \$1.75 per common share to stockholders who owned the stock on the distribution date of 12/30/13. Because the special cash distribution exceeded 25% of the value of POZEN's common stock at the time of the declaration, in accordance with Financial Industry Regulatory Authority Rule 11140, NASDAQ determined that the ex-dividend date for this special cash distribution was December 31, 2013, the first business day following the payable date. POZEN had no current or accumulated Earnings and Profits on the date of the payment so the distribution is considered a return of capital.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Shareholders who received the distribution should reduce the tax basis of the shares they own by \$1.75 per share effective at market close on December 30, 2013.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Reduction of basis is equal to the \$1.75 cash distribution per share reflecting the return of capital as POZEN had no current or accumulated Earnings and Profits in 2013.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code 301(c)(2).

18 Can any resulting loss be recognized? ▶ There is no gain or loss until the POZEN Inc. shares are sold.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ There is no reportable transaction until the POZEN Inc. common shares are sold. This return of capital reduces the tax basis of the shares by \$1.75. Gain from the sale or exchange of property shall be recognized to the extent the distribution exceeds the adjusted basis of the stock.

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| Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. | | | | |
| | Signature ▶ | <i>William L. Hodges</i> | Date ▶ | <i>1/8/14</i> | |
| | Print your name ▶ | <i>William L. Hodges</i> | Title ▶ | <i>Sr. V.P. & C.F.O.</i> | |
| Paid Preparer Use Only | Print/Type preparer's name | <i>LAWRENCE A HAMILTON</i> | Preparer's signature | <i>Lawrence A. Hamilton</i> | Date |
| | Firm's name ▶ | <i>Hughes Pittman & Gupton, LLP</i> | | | <i>1/8/14</i> |
| | Firm's address ▶ | <i>1500 Sunday Drive, Suite 300, Raleigh, NC 27607</i> | | Check <input type="checkbox"/> if self-employed | PTIN <i>P01253736</i> |
| | | | | Firm's EIN ▶ | <i>56-1415202</i> |
| | | | | Phone no. | <i>919-232-5900</i> |