



SUNOVION PHARMACEUTICALS INC.

CORPORATE POLICY

Working Title: Non-Discrimination/Harassment Policy		POLICY NO. No. 2.01-1	
Supersedes: Policy 2.01 Issued: 12/10/07	Approval: Corporate Policy Review Committee (CPRC)	Issued: 9/27/12	Page:1 of 6

Introduction:

It is the goal of Sunovion Pharmaceuticals Inc. ("Sunovion " or "Company") to promote a workplace that is free of discrimination and harassment, including but not limited to sexual harassment. Discrimination and/or harassment, including sexual harassment, of employees or third parties occurring in the workplace or in other settings involving Sunovion employees will not be tolerated. Further, any retaliation against a Sunovion employee who has complained about discrimination, harassment or retaliation against an individual for cooperating with an investigation of a discrimination or harassment complaint is contrary to this policy, and will not be tolerated. To achieve Sunovion's goal of providing a workplace free from discrimination or harassment, including sexual harassment, the Company has established a procedure by which allegations of inappropriate conduct will be investigated and handled.

Because Sunovion takes all such allegations seriously, complaints will be investigated promptly. Where it is determined that inappropriate conduct has occurred, the Company will act promptly to eliminate the conduct and impose such corrective and/or disciplinary action as may be necessary, up to and including termination.

SECTION 1. PURPOSE:

- 1.1 Sunovion is committed to maintaining an environment free of discrimination and unlawful harassment, i.e., discrimination and harassment based on race, color, religion, gender, sex, national origin, ancestry, age, handicap (disability), sexual orientation, genetic information, military/veteran status, participation in any complaint-related activities or any other category protected by federal, state or local law.
- 1.2 It is the Company's policy that discrimination and/or harassment of any employee or applicant for employment, customer, vendor, visitor, or other third party for any reason, regardless of position, will not be tolerated.
- 1.3 The Company expects all employees to conduct themselves in a professional manner and to always treat co-workers, customers, vendors, visitors and all

other individuals that may have contact with Sunovion employees with respect.

- 1.4 It is the Company's policy that Sunovion, its employees and officers shall not discharge, demote, suspend, threaten, harass, or in any other manner discriminate, harass or retaliate against an employee for filing a complaint or for cooperating in an internal investigation. Such retaliation is unlawful and will not be tolerated.
- 1.5 This policy sets forth Sunovion's goals of promoting a workplace that is free of discrimination, harassment, and retaliation. The policy is not designed or intended to limit Sunovion's authority to discipline or take remedial action for workplace conduct that it deems unacceptable, regardless of whether that conduct satisfies the legal definition of unlawful conduct.

SECTION 2. DEFINITIONS:

2.1 Discrimination/Harrassment

Sunovion prohibits discrimination, including harassment and retaliation, by employees, contractors, or agents of Sunovion and by anyone participating in a Sunovion sponsored activity against an individual based on a protected classification. Protected classification includes the following:

- Race;
- Color;
- Religion;
- Gender;
- Sex;
- National origin;
- Ancestry;
- Age;
- Handicap;
- Disability;
- Sexual orientation;
- Genetic information;
- Military/veteran status; and
- Any other category protected by federal, state or local law

While it is not possible to list all circumstances that may constitute discrimination/harassment that is either unlawful and/or violates this policy, some examples include; unwelcome slurs or other derogatory comments, objects, pictures, cartoons, or demeaning gestures connected to one's membership in a protected group, in person by telephone, text messages, email or other Internet means, and that have the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, humiliating or offensive working environment

2.2 Sexual Harassment

- 2.2.1 Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal and physical conduct of a sexual nature when:
- 2.2.1.1 submission to or rejection of such advances, requests or conduct is made either explicitly or implicitly a term or condition of an individual's employment, or as a basis for employment decisions; or
 - 2.2.1.2 such advances, requests or conduct have the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, humiliating or offensive working environment.
- 2.2.2 Under these definitions, direct or implied requests by a supervisor for sexual favors in exchange for actual or promised job benefits such as favorable reviews, salary increases, promotions, increased benefits, or continued employment constitutes sexual harassment.
- 2.2.3 The legal definition of sexual harassment is broad and in addition to the above examples, other sexually oriented conduct, whether it is intended or not, that is unwelcome and has the effect of creating a work place environment that is hostile, offensive, intimidating, or humiliating to male or female workers may also constitute sexual harassment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct which if unwelcome, may constitute sexual harassment depending upon the totality of the circumstances including the severity of the conduct and its pervasiveness:

- Unwelcome sexual advances -- whether they involve physical touching or not;
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life; comment on an individual's body, comment about an individual's sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, cartoons;
- Unwelcome leering, whistling, brushing against the body, sexual gestures, suggestive or insulting comments;
- Inquiries into one's sexual experiences;
- Discussion of one's sexual activities; and
- Displaying or circulating written materials, electronic communications, internet transmissions or pictures of a sexual nature, offensive sexual language and inappropriate sexual humor, in person, by telephone or email

SECTION 3. APPLICABILITY:

- 3.1 This policy applies to all incidents of alleged harassment, including those which occur off-premises or off-hours, where the alleged offender is a supervisor, co-worker, or even a non-employee with whom the employee is involved, directly or indirectly, in a business or potential business relationship.

SECTION 4: DISCRIMINATION/HARASSMENT COMPLAINT PROCESS:

- 4.1 An employee who believes that he/she has been the subject of discrimination or sexual or other forms of unlawful harassment should report the alleged act immediately. This may be done in writing or orally. Reports may be made through any of several routes:

- 4.1.1 Reports may be made directly to either:

4.1.1.1 a supervisor;

4.1.1.2 the appropriate Human Resources Department at Ft. Lee, One Bridge Plaza, Ste. 510, Ft. Lee, NJ 07024, 201-592-2050 or Marlborough, 84 and 158 Waterford Drive, Marlborough, MA 01752, 508-357-7500;

4.1.1.3 the Vice President, HR Operations or Sr. Vice President of Human Resources or designated HR professional at the relevant facility- 84 and 158 Waterford Drive, Marlborough, MA 01752, 508-357-7500 or One Bridge Plaza, Ste. 510, Ft. Lee, NJ 07024, 201-592-2050

4.1.1.4 the Senior Vice President and General Counsel or any other member of the Legal Department – 158 Waterford Drive, Marlborough, MA 01752;

4.1.1.5 the Chief Compliance Officer or designated Compliance professional- 158 Waterford Drive, Marlborough, MA 01752 or via the Hotline at:

4.1.1.5.1 Toll free telephone number. 866-886-1348;

4.1.1.5.2 Through an Internet-based message interface at <http://www.ethicspoint.com>

4.1.1.5.3 All reports filed under this section can be filed anonymously.

- 4.1.2 While it is Sunovion's desire to address these matters internally, nothing in this policy should discourage you from making complaints directly to the state and federal agencies listed below in Section 6.0.

- 4.2 All management and supervisory personnel within the Company are responsible for eliminating any and all forms of unlawful harassment of which they are aware. Any manager or supervisor and non-supervisory personnel who become aware of an incident of potentially unlawful harassment must immediately report the conduct in accordance with Section 4.1 above.
- 4.3 All complaints will be handled in a fair and expeditious manner. An investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. Depending on the circumstances, the investigation may include, among other things, confidential interviews with the person filing the complaint and any witnesses. The person alleged to have committed the unlawful harassment will also be interviewed and have the opportunity to address the allegations by providing witnesses and documentation if possible.
- 4.4 All employees are expected to cooperate during an investigation. The complaining person and witnesses may be asked to sign detailed statements about the offending behavior. All employees shall be protected from coercion, intimidation, retaliation, interference, or discrimination for filing a complaint, or assisting in an investigation.
- 4.5 Once the investigation is complete, to the extent appropriate, the person filing the complaint and the person alleged to have committed the inappropriate conduct will be informed of the results of that investigation. In no event will information concerning a complaint be released by the Company to anyone within the Company who is not involved with the investigation.
- 4.6 If the investigation reveals that an employee has violated this policy by engaging in harassment, or inappropriate or unacceptable workplace behavior, whether or not that behavior is found to constitute unlawful harassment, Sunovion will act promptly to eliminate the offending conduct, and implement any appropriate disciplinary action. Such action may range from counseling to discipline, up to and including immediate termination from employee and may include such other forms of disciplinary action as Sunovion deems appropriate under the circumstances.

5.0 OTHER MATTERS:

5.1 Amendment

Management reserves the right to amend this policy as appropriate at any time without prior notice, pursuant to Sunovion Corporate Policy 1.0, "Corporate Policy Review Committee."

6.0 STATE AND FEDERAL AGENCIES:

- 6.1 In addition to the above, if you believe you have been subjected to alleged illegal discrimination or harassment, you may file a formal complaint with either or both of the government agencies set forth below. Using our complaint process does not prohibit you from filing a complaint with these agencies:

Massachusetts Commission Against Discrimination ("MCAD")
1 Ashburton Place, Rm. 601
Boston, MA 02108
(617) 994-6000

Massachusetts Commission Against Discrimination
Worcester City Hall
455 Main Street, Room 100
Worcester, MA 01608
Phone Number: (508) 799-8010

US Equal Employment Opportunity Commission ("EEOC")
1 Congress Street
10th Floor
Boston, MA 02114
(617) 565-3200

United States Equal Employment Opportunity Commission (Newark Area Office)
One Newark Center, 21st Floor
Raymond Blvd at McCarter Hwy (Rt.21)
Newark, NJ 07102-5233
Phone Number: 1-800-669-4000

New Jersey Department of Law and Public Safety
Newark Regional Office
31 Clinton Street
Newark, NJ 08193
Phone Number: (856) 614-2568