



SUNOVION PHARMACEUTICALS INC.
CORPORATE POLICY

WORKING TITLE: Contract Review and Signing Authority Policy		POLICY: No. 3.03	
Supersedes: 8-51.1	Approval: Corporate Policy Review Committee (CPRC)	Date Issued: September 7, 2008 (v1) December 14, 2012 (v2)	Page: 1 of 3

SECTION 1. PURPOSE:

This policy defines (i) the manner in which all Contracts (as defined below) are created, reviewed and approved, and (ii) which employees have authority to sign Contracts on behalf of the Company.

The purpose of this policy is:

- To ensure all Contracts are reviewed by Legal Affairs on a timely basis and provide the best and most appropriate protection for the Company.
- To ensure contracting best practices through clear and consistent contracting and signing authority procedures.

SECTION 2. DEFINITIONS:

“Company” or “Sunovion” means Sunovion Pharmaceuticals Inc. and its subsidiaries.

“Contract” means any legally binding agreement between the Company and an outside party where the Company and the outside party agree to perform or forbear from any act (including maintaining confidentiality, providing or receiving goods, or services, or payment in cash or in kind). The term "Contract" and "agreement" are used interchangeably. Contracts can take many forms. In addition to documents that are titled as Contracts or agreements, a letter, work order, proposal, term sheet, quote, estimate, or any other document calling for a signature by or on behalf of the Company, may be a Contract. A Contract Sponsor should consult Legal Affairs if he/she is unsure whether a document is a Contract.

“Contract Sponsor” is the Sunovion employee with responsibility for the project budget who desires to enter into a Contract with an outside party.

SECTION 3. APPLICABILITY AND RESPONSIBILITIES:

This policy applies to all employees and agents of the Company and its subsidiaries.

SECTION 4: GENERAL:

CONTRACT REVIEW POLICY

All Contracts must be reviewed in accordance with *Corporate Procedure No. 3.03A* (Contracting Procedures). Each Contract Sponsor (and person signing the Contract) is responsible for ensuring that the requirements of all applicable Company policies and procedures are met prior to entering into the Contract. In addition, each such person is responsible for reviewing and understanding the Contract in its entirety and ensuring that:

- The Contract language is clear and consistent, and accurately reflects the agreed upon terms of the transaction;
- The Company is able to, and does, comply with the terms of the Contract;
- The third party vendor is able to, and does, provide the deliverables in accordance with the terms of the Contract;
- If at any time a Sunovion employee feels that a third party vendor cannot comply with the terms of the Contract, the employee must inform Legal Affairs;
- The contract sponsor’s management of the third party vendor are in compliance with Sunovion’s internal Code of Conduct and Ethics, and applicable policies and procedures; and
- Prior to the signing of the Contract, it has been approved by every division or department that may be directly affected by the performance of such Contract, and a purchase order number has been issued.

SIGNING AUTHORITY POLICY

No person is authorized to sign a Contract on behalf of the Company unless such individual has been delegated signing authority in accordance with *Corporate Procedure No. 3.03B* (Contracting Signing Authority Procedure). Execution (that is, signing) of Contracts may legally obligate the Company to perform under the Contract even if the person who executed the contract does not have the actual authority to bind the Company.

STRUCTURING PROHIBITION

Contracts must reflect the scope of the entire project and must not be structured in a manner to separate the project into multiple Contracts with the intention of circumventing the purchase order process. For example; if a project is budgeted for \$100,000, and the Contract Sponsor and/or signatory is limited under Company policy to entering into Contracts up to \$75,000, entering into two separate Contracts for \$50,000 each for the same project is strictly prohibited.

SECTION 5. 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"**.

5.2 Failure to Comply

EMPLOYEES WHO VIOLATE ANY SUNOVION POLICIES AND PROCEDURES WILL BE SUBJECT TO DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

5.3 Reporting Concerns

Reports concerning wrongful behavior, violations or suspected violations of this or any other policy, the Code of Conduct and Ethics, law or regulation may be submitted on a confidential basis or may be submitted anonymously through Sunovion's Compliance Hotline as set forth below. Reports of violations or suspected violations of alleged misconduct or wrongful behavior will be maintained as confidential as practicable under the circumstances, and as necessary to conduct a full and fair investigation.

Reporting Hotline Options:

- (a) Toll free telephone number. 866-886-1348
- (b) Via the internet at: www.ethicspoint.com