



SUNOVION PHARMACEUTICALS INC.

CORPORATE POLICY

WORKING TITLE: Support of Third Party Organizations Policy		POLICY NO: 1.13	
Supersedes:	Approval Signature: Corporate Policy Review Committee (CPRC)	Date Issued: June 22, 2011	Page: 1 of 5

Section 1. PURPOSE:

- 1.1 This Policy is intended to set forth the parameters pursuant to which Sunovion Pharmaceuticals Inc. and its subsidiaries ("Sunovion" or the "Company") may provide support to professional organizations and voluntary health organizations, including patient advocacy groups, provided the organization or association has sufficient membership and geographic scope, and to trade associations. The Company will not subsidize an organization or association comprised of a small number of healthcare professionals or group practices. In most sponsorship arrangements, the requestor will approach the Company with an opportunity to fund the overall cost of a professional meeting or to provide general support through corporate membership.
- 1.2 This Policy sets forth the process, requirements, limitations and examples of the types of support that may be provided by the Company to professional organizations, voluntary health organizations, and trade associations.
- 1.3 This Policy is intended to be consistent with the PhRMA Code on Interactions with Healthcare Professionals (July 1, 2002, rev. July 10, 2008); the Anti-Kickback Statute (42 U.S.C. § 1320a-76(b)); the Department of Health and Human Services ("DHHS") Office of the Inspector General ("OIG") Compliance Program Guidance for Pharmaceutical Manufacturers (68 Fed. Reg. 23731, May 5, 2003); DHHS regulations; the federal Food, Drug, and Cosmetic Act; and Food and Drug Administration ("FDA") regulations; relevant FDA guidance; Sunovion policies and guidelines; and other statutes and regulations as applicable.

Section 2. DEFINITIONS:

- 2.1 "Corporate Membership" is a membership in a Professional Organization, Voluntary Health Organization or Trade Association publicly offered to commercial organizations for which a reasonable fee is assessed for membership status and benefits.
- 2.2 "Grants Coordinator," established under the Educational Grants Policy, is responsible for the administration of the requests processed under this Policy.

- 2.3 “Grants Review Committee,” established under the Educational Grants Policy, is the committee responsible for reviewing all requests for support from Professional Organizations, Voluntary Health Organizations, and Trade Associations and for approving or denying such requests.
- 2.4 “Policy” refers to this Support of Third Party Organizations Policy.
- 2.5 “Professional Organization” is a well recognized non-profit organization comprised of individual healthcare professionals, whose mission is to support professional development and improve patient care.
- 2.6 “Trade Association” is a well recognized non-profit association of commercial entities related to the Company’s interests in the pharmaceutical industry.
- 2.7 “Voluntary Health Organization” is a well recognized non-profit organization dedicated to a particular disease or therapeutic area, such as a patient advocacy group.

Section 3. APPLICABILITY AND RESPONSIBILITIES:

- 3.1 This Policy applies to all funding provided by the Company to support Professional Organizations, Trade Associations, and Voluntary Health Organizations through meeting support or Corporate Membership dues, such as support for the Annual Meeting of the American Psychiatric Association or Corporate Membership in the American Lung Association.
- 3.2 This Policy does not apply to grant funding for independent educational programs or investigator-initiated research or to political or charitable contributions that are not intended to support programs or activities covered under this policy.
- 3.3 All employees of Sunovion shall follow this Policy. All employees responsible for reviewing requests governed by this Policy shall participate in periodic training on these requirements. Any employee who violates this Policy, and any manager who knowingly permits or directs a subordinate to do so, may be disciplined accordingly, up to and including termination of employment.
- 3.4 Any persons acting on behalf of Sunovion, including consultants, agents and or vendors shall be obligated to follow this Policy, as appropriate, in contractual arrangements or otherwise. All such persons acting on behalf of Sunovion under this Policy shall participate in periodic training on these requirements.

Section 4. GENERAL:

- 4.1 **Professional Organizations.** Only well-recognized non-profit organizations comprised of individual healthcare professionals, whose missions is to promote professional development and improve patient care, qualify as Professional Organizations eligible to receive funding under this Policy. The Company will not support organizations of small groups of physicians or group practices even if they hold non-profit status. Non-profit organizations should not be confused with charitable 501(c)(3) organizations.
 - 4.1.1 Funding is provided only for annual or regularly scheduled major meetings provided they are open to all members. The Company does not support meetings that are limited to a subgroup of the membership such as meetings of committees, the board or executive leadership.

- 4.1.2 Support is generally provided for the overall meeting, rather than for a specific component of such meeting, and the Company should not be the sole supporter.
- 4.1.3 Requests to provide support specifically for a healthcare educational component of an annual meeting or a stand alone healthcare educational event should be evaluated and processed as an educational grant under the Sunovion Educational Grants Policy.
- 4.2 **Corporate Memberships.** Corporate Membership in Professional Organizations, Trade Associations, or a Voluntary Health Organizations (including those with 501(c)(3) status) is permitted, where such membership is related to the Company's interest in the pharmaceutical industry. This category is intended to cover general membership fees or dues (not support for a specific program).
 - 4.2.1 Each request must be in writing and include information about the organization (including its membership, purpose, and Web site, if any), its tax identification number, benefits of membership, cost of membership, description of the various membership levels if offered, and a statement that the Company will be recognized for its support.
 - 4.2.2 A reasonable fee, based on the benefits offered to its members, may be assessed for membership status.
 - 4.2.3 Corporate Membership must be open to other corporate entities with an interest in the focus of the group.
- 4.3 **Voluntary Health Organizations.** Only well-recognized non-profit Voluntary Health Organizations dedicated to improving patient care qualify for funding under this policy.
 - 4.3.1 Funding is provided only for annual or regularly scheduled events provided they support the overall mission of the organization.
 - 4.3.2 Requests to provide support specifically for an educational component of an annual meeting or a stand alone educational event should be evaluated and processed as an educational grant under the Sunovion Educational Grants Policy.
- 4.4 Payments under this Policy are provided only to organizations, and not to individuals. Support may not be used to subsidize travel, lodging and personal expenses of program attendees
- 4.5 Payments may not be intended as a price term or offered in place of a price concession or discount.
- 4.6 Support may not be provided or offered (i) in exchange for, or contingent upon, the purchase or prescribing of Company products or a commitment to continue prescribing such products, (ii) to encourage or reward the recipient for ordering or recommending Company products, or (iii) to gain access to prescribers.
- 4.7 Any support provided under this Policy may not be based on, or related to, the past, present or future volume or value of business generated for the Company by the third party organization.
- 4.8 All requests for support must be made by the requestor and referred to the Grants Review Committee, established under the Educational Grants Policy, for review and must be approved in advance in writing. Any questions regarding the status of any request under this Policy shall be referred to the Grants Coordinator, who is responsible for notifying the organization whether the request is approved, denied, or requires additional information.

- 4.9 Company employees shall not make any promises or commitments that a request for meeting support or Corporate Membership will be approved and shall not attempt to influence the approval process. Sales or marketing personnel may not initiate or participate in the submission of such requests or the decision making process, and may not personally or otherwise deliver checks funding such requests.

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, **"Development and Approval of Sunovion Corporate Policies."**

5.2 Failure to Comply

EMPLOYEES WHO VIOLATE ANY SUNOVION POLICIES AND PROCEDURES MAY 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 the Sunovion Compliance Hotline as set forth below. Reports of violations or suspected violations of alleged misconduct or wrongful behavior are 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

Sunovion does not tolerate any form of retaliation or adverse action against any employee who submits a good faith report of misconduct. In addition to these protections, an employee may also avail themselves of the remedies afforded under federal and state law, including the federal "False Claims Act," 31 U.S.C. Sections 3729-3733, the Commonwealth of Massachusetts Whistleblower Protection Act, M.G.L 149, Chapter 185 and the New Jersey Conscientious Employee Protection Act, N.J. Stat. Ann. Section 34:19, Sections 1 to 8.

5.4 Audit (as needed)

Each department; shall perform periodic reviews of the implementation of this Policy, under the oversight and guidance of the Chief Compliance and Ethics Officer.

5.5 Related Corporate Policies

Code of Conduct and Ethics

Conflicts of Interest Policy

Corporate Giving Policy

Educational Grants Policy

Investigator-Initiated Studies Policy