



## SUNOVION PHARMACEUTICALS INC.

### CORPORATE POLICY

<b>WORKING TITLE: Business Travel Policy</b>		<b>POLICY NO: 1.11</b>	
<b>Supersedes:</b> <b>Travel/Meeting &amp; Entertainment</b> <b>Reimbursement Policy 2-3</b> <b>(effective 11/01/02)</b>	<b>Approval:</b> <b>Corporate Policy Review</b> <b>Committee (CPRC)</b>	<b>Date Issued:</b> <b>August 3, 2011</b>  <b>Date Amended:</b> <b>October 5, 2011</b>	<b>Page: 1 of 13</b>

#### SECTION 1. PURPOSE:

The purpose of this Policy is:

1. To provide clear and consistent guidance for Employees within the United States incurring business travel and associated expenses on behalf of Sunovion Pharmaceuticals Inc. (the "Company") and to help control travel and associated costs.

#### SECTION 2. DEFINITIONS:

- 2.1 "Approver(s)" means the Employee(s) responsible for authorizing expenditures and reviewing and approving expense reports, such as one's direct manager.
- 2.2 "Business Meals" are defined as any food, snack and/or beverage or other meal consumed incident to a business discussion, regardless of travel. Business Meals may take place between Employees, with a Service Provider or other third-party.
- 2.3 "Company" means Sunovion Pharmaceuticals Inc.
- 2.4 "Employee" means any person employed by the Company on a full-time, part-time, temporary or contract basis.
- 2.5 "Healthcare Professional or HCP" refers to: (a) physicians, physician assistants, nurses, nurse practitioners, pharmacists, medical assistants, and other medical professionals involved in patient care, (b) scientists or others who, because of their professional reputations may have an influence on clinical opinions, even though they would not be prescribing pharmaceutical products, and (c) others who can influence the purchase and/or prescribing of Sunovion products, including group purchasing organizations,

pharmacy benefit managers, managed care organizations, and other entities who arrange for the provision of healthcare services, for example, home healthcare agencies.

- 2.6 "Personal Meals" are defined as any food, snack and/or beverage or other meal consumed by a Traveler while on an out-of-town business trip.
- 2.7 "Policy" refers to this Business Travel Policy.
- 2.8 "Service Providers" refer to any Consultants, vendors, or other third-parties retained to provide services for the Company.
- 2.9 "Travel Agency of Record" means the travel agency identified in any Travel SOPs created under this Policy.
- 2.10 "Traveler" means any person employed by the Company on a full-time, part-time, temporary or on a contract basis and who is authorized to travel on Company business.
- 2.11 "Associate Director, Travel & Meeting Services" is the individual responsible for implementing this Policy.
- 2.12 "Travel SOPs" mean any Travel Standard Operating Procedure implemented under this Policy.

### **SECTION 3. APPLICABILITY AND RESPONSIBILITIES:**

- 3.1 This Policy applies to all U.S.-based Employees of the Company and to any U.S.-based Service Providers for the Company who are traveling and/or incur business meal expenses at the direction of the Company and/or in furtherance of their contracted services on behalf of the Company.
- 3.2 All Travelers are responsible for complying with this Policy and all guidelines outlined in any applicable Travel SOPs.
- 3.3 The Associate Director, Travel & Meeting Services is responsible for implementing this Policy, including addressing any questions, concerns or suggestions regarding this Policy.
- 3.4 The Company reimburses Travelers for all reasonable and necessary travel related expenses while traveling on authorized Company business and as outlined in any applicable Travel or Expense Reporting SOPs. The Company assumes no obligation to reimburse Travelers for expenses that are not in compliance with this Policy or any applicable Travel or Expense Reporting SOPs.
- 3.5 Service Providers working with or providing travel services to HCPs, Employees or other Service Providers on behalf of the Company must comply with the substantive aspects of this Policy, any applicable Travel SOPs and/or any applicable guidelines. It is the responsibility of the Employee supervising the Service Provider to make sure that the Service Provider and/or any HCP working with the Service Provider is aware of this Policy and their compliance obligations under this Policy and any applicable Travel SOPs and/or any applicable guidelines.

- 3.6 The Travel Agency of Record is responsible for documenting any exceptions to this Policy and/or any applicable Travel SOPs or guidelines. Any exceptions must be included in an exception report provided to the Senior Vice President, Human Resources and Administration or their designee.
- 3.7 Specific business units may, at their discretion, impose more restrictive standards than required by this Policy, or any applicable Travel SOPs or guidance, but never less.

#### **SECTION 4. GENERAL:**

- 4.1 All employees, with the exception of VP and above, should obtain prior, authorization from their Approver for all travel and written authorization for all international travel (email authorization is acceptable).
- 4.2 All air travel, lodging, car rental and rail reservations including en route changes must be through the Company's online booking system.
- 4.3 All Employees are responsible for regularly reviewing their travel profile maintained in the online travel profile system to ensure all information is current, accurate and complete.
- 4.4 When possible, all travel expenses must be paid using the Employee's corporate credit card. However, if an Employee has not been issued a corporate credit card, a personal charge/credit/debit card may be used and submitted for reimbursement.
- 4.5 All Employees traveling on Company business are covered under the Company's accident insurance policy. As the policy has a maximum per occurrence, no more than four (4) Employees are allowed to travel aboard the same flight. Exceptions for major meetings can be made, provided that an insurance rider for the specific trip is obtained from Company's insurance carrier.
- 4.6 The Company's travel insurance does not extend to Service Providers or other non-Company employees traveling on behalf of the Company.
- 4.7 The Company does not reimburse travel expenses incurred by a spouse or other individual accompanying a Traveler on business unless there is a bona fide business purpose for taking the spouse or other individual. A spouse or other individual may accompany a Traveler on a business trip at the Traveler's own expense.

#### **Meal Reimbursement:**

- 4.8 Expenses for Personal Meals may be reimbursed while on Business Travel.
- 4.9 All business travel expenses incurred by Employees or non-employee Travelers must be processed according to any applicable SOPs or other guidance created under this Policy.
- 4.10 All programs requiring hotel, restaurant or meeting related contracts and/or expenses must be coordinated through the Travel and Meeting Services Department.

### **Making Travel Arrangements:**

- 4.11 All air travel, lodging, car rental, sedan service, and rail travel reservations including en-route changes must be booked through the online reservation system
- 4.12 Employee's preferences for a particular airline will be considered only if the fare offered does not cost the Company more than \$100.00 and only when it is a Sunovion preferred carrier. Any changes resulting in increased airfares will be reported to the appropriate Company manager and may require additional approval.
- 4.13 It is understood that itinerary changes are occasionally required prior to the trip and en-route. All Employees must ensure that changes to itineraries resulting in higher fares are only made to support their specific business objectives. When any itinerary change is needed, Employees are required to contact Sunovion's Travel Agency of Record immediately. Any itinerary changes that cost the Company \$200.00 or more must be reviewed and approved by the Sunovion Associate Director, Travel & Meeting Services.

### **Compliance and Exceptions:**

- 4.14 The Senior Vice President, Human Resources and Administration or a member of the Executive Leadership Team (for their respective cost centers) is responsible for approving any exceptions to this Travel Policy, including, but not limited to, sedan service, car rental, hotel, or air travel exceptions. The Senior Vice President, Human Resources and Administration is responsible for approving any medical condition exceptions to this Travel Policy.
- 4.15 The Senior Leadership Team member for a functional area is responsible for approving any exceptions regarding business travel combined with personal travel.
- 4.16 Employees who do not comply with these procedures may be subject to delay or withholding of reimbursement and/or disciplinary action as may be necessary, up to and including termination of employment.

### **Airline Class of Service – Domestic and International:**

- 4.17 Domestic travel is considered to be travel within the United States and Puerto Rico and must be taken in coach/economy class. A full coach fare is to be used only when discounted fares are not offered or they are not available.
- 4.18 International travel is all travel to Canada, Europe, the Far East and the Pacific or any other destination not specified as domestic travel must be taken in coach class.
- 4.19 An upgrade to first/business class may only be utilized under the following conditions or with prior written approval from the functional area Executive Leadership Team member:
  - The lowest available coach class price is charged
  - A free upgrade is received
  - Overnight flights when the Employee is scheduled to report to work upon arrival
  - On a segment of a flight over six (6) hours in flying time excluding layover time at

connection unless travel is to a Company-sponsored meeting in which case no upgrades are allowed

- Employees with certain physical conditions/disabilities that are on file with Human Resources
- Upgrades at the Employee's expense - must be done directly with the airline and cannot be submitted for reimbursement
- Sunovion's Travel Agency of Record communicates all exception travel requests directly to Company management.

#### **Lowest Airfare Definition – Domestic and International:**

4.20 Employees are expected to book the lowest logical airfare as determined by the travel consultant based on the following parameters:

- Routing requires no more than one additional interim stop each way for domestic flights and two stops for international flights;
- Routing does NOT increase the one-way total elapsed trip time (origin to destination) by more than two (2) hours on domestic flights and three (3) hours on international flights;
- Time Window: Departure/arrival must be no more than two (2) hours before or after requested time;
- Savings must be at least \$200 per domestic trip or \$600 per international to offset schedule inconvenience;
- Low fare alternatives including, but not limited to non-refundable fares, alternate airports, and specially negotiated fares must be considered.

4.21 Employees may request a specific routing (connection cities) only if it doesn't cost the Company more than the lowest available fare as determined by the Travel Agency of Record unless the connection requested saves more than two (2) hours on domestic flights and three (3) hours on international flights and costs no more than \$200 per domestic trip or \$600 per international trip.

#### **Preferred Airlines:**

- 4.22 Sunovion has negotiated special rates and discounts with specific airlines. Employees should use these preferred carriers whenever possible as directed by Sunovion's Travel Agency of Record.
- 4.23 See Sunovion BusinessTravel Policy Work Instructions for a list of Sunovion's preferred airlines.

#### **Airline Frequent Flyer Programs:**

- 4.23.1 Bonus points (frequent flyer points) received may be retained by the Employee. Employees cannot alter their itinerary or airline to gain bonus points. Purchase of miles for your frequent flyer account will not be reimbursed by The Company.

**Airline Club Memberships:**

- 4.24 The Company will cover the cost of one (1) airline club membership for manager-level Employees and above who travel more than two times per month or twenty-four times annually. The Associate Director, Travel & Meeting Services will monitor these memberships to assure compliance.

**Employees Traveling Together:**

- 4.25 The number of Company personnel traveling together on the same flight must not exceed two (2) Executive Leadership Team (ELT) members or any four (4) Employees per Section 4.5 of this Policy.
- 4.26 The following combination of senior management members must not fly in the same aircraft:
- More than two (2) members of the ELT
  - More than three (3) Senior Leadership Team (SLT) Members
  - More than two (2) SLT members who are in the same functional area.

**Baggage Fees and Lost Baggage:**

- 4.27 The ultimate responsibility for locating and compensating for lost baggage lies with the airlines. The Employee is responsible for filing a lost luggage report with the airline.

**Cancellations:**

- 4.28 When a trip is canceled after a ticket has been issued, the Travel Agency of Record will retain the ticket number for use at a future time.
- 4.29 Employees are generally able to reuse cancelled airline tickets that were issued in their name within one year of the original purchase date.
- 4.30 Cancelled tickets cannot be re-used by other Employees.
- 4.31 When it is determined that you will not be using a ticket that has been issued, please report this to the Travel Agency of Record immediately. Tickets cancelled within 24 hours of issuance may be voided to avoid any cancellation fees.

**Changes:**

- 4.32 When making travel arrangements, Employees should be confident that their itinerary will not change in order to avoid possible change fees.
- 4.33 In the event there is a change in travel plans, please contact the Travel Agency of Record as soon as possible in order to obtain the lowest possible fare for the replacement flight.

- 4.34 All changes must be made through the Travel Agency of Record with the exception of same day stand-by flights which should be arranged with the airline directly.
- 4.35 Voluntary changes are defined as changes made for passenger convenience that does not affect business plans. Voluntary changes are permitted only in the following circumstances:
- The change will save the Employee more than (2) hours total trip time and not cost the Company more than \$200.00 above the airline change fee; or
  - The change will result in a lower cost to the Company with the airline change fee factored in.

**Seat Upgrades:**

- 4.36 In many cases, the airline will make coach seats with more leg room or preferred locations available for an added fee. Seat upgrades may be purchased under the following conditions:
- Upgrade costs no more than \$40 per segment
  - Segment duration is at least two (2) hours

**Air Travel Payment Procedures:**

- 4.37 Air travel costs must be paid using your Corporate Credit Card or a personal charge/credit card if a Corporate Credit Card has not been issued.
- 4.38 Air travel costs for Employees cannot be direct billed to the Company.

**Passports and Visas:**

- 4.39 For assistance in obtaining visas/passports, Employees should contact the Travel Agency of Record.

**Domestic and International Travel Advisories:**

- 4.40 Tickets may not be issued to areas for which a travel advisory has been issued by the State Department.
- 4.41 Employees with existing tickets will be contacted to discuss alternatives and/or trip cancellation where a travel advisory has been issued or a concern about travel disruption has been determined by the Company.

**Use of Video/Teleconferencing:**

- 4.42 Employees should consider if a telephone conference call could satisfy the objectives of an off-site meeting prior to making travel arrangements. Video conferencing is a popular alternative to travel and represents an opportunity to control travel costs. Video conferencing capabilities are available and if the business can best be served through this medium, Employees should contact the IT Help Desk at 508-357-7333 or ext. 7333 in Marlborough office.

**Group Travel:**

- 4.43 Group Travel is defined as "Any group of people traveling to a common destination that requires any or all of the following: air, hotel, ground or other travel related contract". For the purpose of these procedures, Group Travel does not include Company sponsored meetings or events.
- 4.44 Employees are responsible for ensuring all Group Travel is consistent with this Policy.
- 4.45 All Group Travel must be managed by the Travel & Meeting Services Department to insure proper utilization of Company preferred vendors and contracts.
- 4.46 All Employees are expected to use the most cost-effective means available to accomplish the required business objectives.
- 4.47 All Group Travel arrangements, including air travel, rail, ground transportation, meals and lodging should be made through the Travel Agency of Record.

**Seminars Sponsored by Other Organizations:**

- 4.48 Fees associated with Employee attendance at conventions, meetings and seminars sponsored by outside organizations are reimbursable with approval from the Employee's functional Vice President. The Company will not pay the fees associated with a Health Professional's attendance at a convention, meeting, education conference or seminar unless otherwise permitted by Company policies and procedures.

**Hotel Guidelines:**

- 4.49 All hotel requests must be booked through the online reservation system as primary process, with back up process by the Travel Agency of Record and must NOT be made directly with the hotel by Employees.
- 4.50 Hotels that maintain an active special rate agreement with the Company are considered Preferred Hotels.
- 4.51 Preferred Hotels should be used when they are available near the business trip destination.
- 4.52 In the event that lodging facilities that provide negotiated rates are not located near the business trip destination or rooms at these facilities are not available, comparable facilities and rates should be used.
- 4.53 For a list of preferred hotels, please see the Sunovion Business Travel Policy Work Instructions.
- 4.54 Association or Convention hotel reservations may require you to book outside of the Travel Agency of Record. Such bookings require prior review by the Associate Director, Travel & Meeting Services.
- 4.55 Employees may accept room upgrades to suites or executive floor rooms if the upgrade is at no additional cost to the Company.



- 4.56 Unless otherwise instructed, all rooms will be guaranteed for late arrival with the Employee's Corporate Credit Card. If the Employee has not been issued a Corporate Credit Card then his/her personal credit card may be used.
- 4.57 Employees staying in a private residence with family members or friends while traveling to conduct business will not be reimbursed.
- 4.58 Many hotels have frequent guest programs that reward Employees with free accommodations in exchange for a given number of paid room nights at the hotel. Awards from such programs may be retained by the Employee for personal use. However, participation in these programs must not influence hotel selection if the cost would be more than the Company's negotiated rate.
- 4.59 When guaranteed hotel reservations have been made and a change in the itinerary or schedule prevents the claiming of the reservation, the Employee must contact the Travel Agency of Record to cancel the reservation before the deadline.
- 4.60 Employees will be held responsible for the hotel no-show charges unless these procedures are followed.

**Rental Car Guidelines:**

- 4.61 Rental car reservations must be made through the online reservation system as the primary process with back up process by the Travel Agency of Record, not directly by the Employee through the rental car Company unless approved by the Associate Director, Travel & Meeting Services.
- 4.62 Preferred car rental companies should be used when available unless an exception is approved by the Associate Director, Travel & Meeting Services.
- 4.63 For a list of preferred car rental agencies, see Sunovion Business Travel Policy Work Instructions.
- 4.64 Employees should rent a car TO their destination when:
- Driving is more cost-effective than airline, rail or sedan service and the distance to the destination is less than one hundred (100) miles; or
  - Transporting large or bulky material and common carrier is not available\*
- \* Note: No transportation of chemical or hazardous materials is allowed at any time.
- 4.65 Employees should always book a Midsize/Intermediate car. Employees may book a class of service one level higher when:
- Three or more Company Employees are traveling together
  - Hosting customers
  - Cars in authorized category are unavailable
  - The Employee can be upgraded at no extra cost

- Transporting excess baggage such as booth displays
  - A pre-approved medical reason (e.g., drivers with disabilities) exists with paperwork on file in Human Resources
- 4.66 At the time of the rental, the car should be inspected and any damage found should be noted on the contract before the vehicle is accepted.
- 4.67 Rental cars must be paid using the Employee's Corporate Credit Card. If the Employee has not been issued a Corporate Credit Card, a personal credit card may be used.
- 4.68 Liability and collision coverage are provided by the Company's insurance policy if the travel is for Company business within the U.S. and Canada, therefore insurance should not be purchased. For travel outside of the U.S. and Canada, insurance coverage offered by the rental company should be purchased and expensed to the Company
- 4.69 Saturday and Sunday rentals will be reimbursed in the event that an Employee is required to remain at the location for business reasons.
- 4.70 Every reasonable effort must be made to return the rental car:
- To the original rental city unless approved for a one-way rental
  - Intact (i.e., no bumps, scratches or mechanical failures)
  - On-time to avoid additional hourly charges
  - With a full tank of gas
- 4.71 Employees are responsible for canceling rental car reservations through the Company's Travel Agency of Record if their travel plans change.
- 4.72 Should a rental car accident occur, Employees should complete an accident form and immediately contact:
- The rental car Company
  - Local authorities as required
  - The Company's Fleet Coordinator in the Fleet Services Department
- 4.73 All Employees will receive a complimentary membership from the preferred auto rental supplier. No other memberships will be reimbursed.

**Personal Car Guidelines:**

- 4.74 Employees may use their personal car as the primary mode of transportation for business travel (i.e. in place of air, rail, car rental or public transportation). Use of personal car for business travel will be reimbursed on a per mile basis as outlined in the current company expense reporting/reimbursement procedures.

**Ground Transportation:**

- 4.75 Sedan services should be used only when valid business reasons preclude the use of cheaper options.
- 4.76 Sedan services may be used when two (2) or more Employees are traveling together to and from their home airport in lieu of mileage and airport parking.
- 4.77 Employees traveling alone to and from the airport must be traveling for two (2) or more nights in order to be reimbursed by the Company for sedan service unless an exception is approved in advance by the Associate Director, Travel & Meeting Services.
- 4.78 Sedan service is permitted when air travel requires a red-eye flight in order to report to work the next day or when used in lieu of overnight hotel accommodations.
- 4.79 For a list of preferred sedan service companies, see the Company Business Travel Policy Work Instructions.
- 4.80 The use of helicopters is not permitted.

**Rail Travel:**

- 4.81 All rail travel must be booked through the online reservation system as primary process with back up process by the Travel Agency of Record and cannot be booked by the Employee directly with Amtrak.
- 4.82 Domestic rail travel should be in Coach Class, or Business Class when traveling on the Acela.
- 4.83 Acela service may be utilized when required by schedule or when internet access is needed during transit.
- 4.84 First Class, Business Class and reserved seating for domestic rail service may be utilized:
  - When accompanying a Customer traveling in the higher class of service
  - When an upgrade is available at no additional cost
  - At the Employee's expense
  - For Employees with medical conditions that require the higher class of service
  - For rail travel longer than four (4) hours
  - When Coach Class is not offered or is offered but not available
- 4.85 International rail travel may be in First Class.

**Personal/Vacation Travel:**

- 4.86 Extension of business travel for personal reasons may be permitted provided there is no additional cost to the Company.

- 4.87 Preferred hotel and rental car rates may be used for personal/vacation travel when booked through the Travel Agency of Record.
- 4.88 Corporate insurance coverage will NOT apply when using Preferred rental car rates for personal/vacation travel.

**Tipping Guidelines:**

- 4.89 Tipping a porter, bellman, chambermaid or waiter should be based on the quality of service rendered. The Company will reimburse reasonable gratuities based on the following guidelines:

- Airport porters: \$2.00 per bag
- Hotel bellmen: \$2.00 per bag
- Restaurant waiters: 20% gratuity unless required by restaurant for larger groups
- Chambermaids: \$2.00 per night

Note: At many company-sponsored meetings, gratuities are included in the contract with the venue. Therefore, before providing and submitting for reimbursement any gratuities at a company meeting, employees should check their meeting registration information or welcome package for details.

- 4.90 Please check local customs for appropriate tipping when traveling abroad. Some hotels and restaurants include a gratuity in the price, in which case a tip is not necessary.

**Payment Methods:**

- 4.91 The work of many Employees within the Company requires that they travel and as part of their responsibilities. As such, the Company has established a Corporate Credit Card program in accordance with the Corporate Credit Card Policy. Please refer to this policy for Corporate Credit Card criteria and distribution guidelines.

**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](http://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 Cross-References to other Corporate Policies (as needed).

#### **Relevant Documents:**

Code of Conduct and Ethics

Healthcare Professional Consultant Policy

Business Courtesies Policy

Conflicts of Interest Policy

Anti-Corruption Policy

Sunovion Business Travel Policy Work Instructions

Expense Reporting SOP