



**SUNOVION PHARMACEUTICALS INC.**

**CORPORATE POLICY**

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| <b>WORKING TITLE:</b><br><b>Corporate Giving Policy</b>                |   | <b>POLICY: No. 1.08</b>                     |                     |
| <b>Supersedes:</b><br><b>Version dated</b><br><b>September 9, 2009</b> | <b>Approval Signature:</b><br><b>Corporate Policy</b><br><b>Review Committee</b><br><b>(CPRC)</b> | <b>Date Issued:</b><br><b>June 22, 2011</b> | <b>Page: 1 of 5</b> |

**Section 1. SCOPE AND PURPOSE:**

This Policy addresses the process pursuant to which Sunovion may make Charitable Contributions, and applies to Sunovion and all its employees based in the United States. This Policy expressly does not cover any requests for grants which are governed by the Sunovion Educational Grants Policy, Support of Third Party Organizations Policy and Investigator-Initiated Research Grants Policy.

**Section 2. DEFINITIONS:**

- 2.1 "Charitable Contribution" is financial support made to (a) a qualified 501(c)(3) nonprofit Charitable Organization where such financial support is used to directly support programs and activities conducted by the organization in keeping with its charitable mission and where there is no agreement or expectation of any benefits to the Company in return and (b) a local or community-oriented non-profit organization (including organizations without 501(c)(3) status, such as a children's sports league) in a location where Sunovion has a principal business site.
- 2.2 "Charitable Organization" is an organization that is (a) recognized by the Internal Revenue Service as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, (b) not controlled or founded by an individual Healthcare Professional, private physician practice group or physician clinic, and (c) not on the OIG List of Excluded Individuals and Entities, the U.S. General Services Administration Excluded Parties List System or the U.S. Food and Drug Administration Debarment List. For purposes of this Policy, Charitable Organizations shall include local or community-oriented non-profit organizations (which may not have 501(c)(3) status) in locations where Sunovion has a principal business site.
- 2.3 "Grants Review Committee" established under the Educational Grants Policy, including the Vice President of Corporate Communications, is the committee responsible for

reviewing all requests for Charitable Contributions, until the Corporate Communications Department establishes its own Corporate Giving Committee, headed by the Vice President of Corporate Communications, to review such requests.

- 2.4 "Healthcare Institution" means any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged person as provided in 29 U.S.C. §152.
- 2.5 "Healthcare Professional" means: (a) physicians, 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, such as home healthcare agencies.
- 2.6 "Policy" means this Corporate Giving Policy.
- 2.7 "Sunovion" or "Company" means Sunovion Pharmaceuticals Inc.

### **SECTION 3. CHARITABLE CONTRIBUTIONS:**

- 3.1 **Commitment.** Sunovion recognizes that, in its role as a business leader in the communities in which it serves and operates, it must accept the responsibility to be a philanthropic leader in these same communities. The Company is committed to seeking and supporting programs and activities intended to further the charitable mission of qualified Charitable Organizations that are closely aligned with the Company's interest in the communities in which it operates and serves.
- 3.2 **Oversight.** All requests for general charitable donations, solicited or unsolicited, must be in writing and identify the Charitable Organization, the proposed amount of the Charitable Contribution and the charitable purpose of the donation. All such requests are reviewed in advance by the Company's Grants Review Committee. No charitable donation may be made by the Company unless the majority of the Committee votes to make such donation in accordance with this Policy. No individual Company representative may make representations or assurances that a donation request will be approved.
- 3.3 **Charitable Focus.** Sunovion focuses its charitable efforts on programs and activities, which are designed to enhance the health and education of those residing in the geographic or therapeutic communities served by the Company. Requests for Charitable Contributions meeting the requirements of this Policy are considered for, but not guaranteed, funding.
- 3.4 **Eligibility Criteria.** Charitable Contributions to Charitable Organizations to support programs or activities aligned with the aforementioned charitable focus must meet the following eligibility criteria:

- Agencies or organizations must provide a copy of their 501(c)(3) IRS determination letter, unless the organization is a local or community-oriented non-profit organization, without 501(c)(3) status, in a location where Sunovion has a principal business site.
- Applicants cannot be individuals, private physician practice groups, physician clinics or charitable entities controlled or founded by any of them, labor organizations, or political organizations. Political contributions by the Company are governed by the Political Contributions Policy.
- Charitable Contributions must be given to the Charitable Organization as a whole and may not be made directly to a particular employee, program, department or other individual or entity affiliated with the Charitable Organization.
- Charitable Contributions must be unrestricted, i.e., the Company shall not designate how the donation is to be used.
- Charitable Contributions must be made without any expectation of return and may not be provided or offered (i) in exchange for, or contingent upon, the purchase or recommendation of Company products or services, (ii) to encourage or reward the recipient for purchasing or recommending Company products or services, or (iii) to gain access to individuals in a position to generate business for the Company.
- Charitable Contributions may not be intended as a price term or offered in place of a price concession or product discount and, to avoid the appearance of impropriety should not be made contemporaneously with contract negotiations or formulary decisions.
- The amount of any Charitable Contribution to a particular Charitable Organization may not be based on, or related to, the past, present or future volume or value of business generated for the Company by that Charitable Organization.
- Requests for grants covered under the Educational Grants Policy or Investigator-Initiated Research Grants Policy, or Support of Third Party Organization Policy are ineligible for funding under this Policy.

Sunovion will **not** consider requests:

- to support annual operating expenses.
- for events which have already occurred.
- to support a donation of any medical product that is not intended to be used by the Charitable Organization in keeping with its charitable mission.
- from Healthcare Institutions or other customers of Sunovion (unless made by a bona fide and legally separate charitable foundation of such entity).

3.5 **Use of Sunovion Facilities or Goods.** Unless prior permission is obtained from the Grants Review Committee, Sunovion does not allow third party marketing materials

(i.e., flyers, posters, brochures, etc.) to be displayed on its property. In addition, Sunovion does not allow use of its property for outside fundraising efforts (whether for charitable or for-profit purposes) unless prior permission is obtained from the Grants Review Committee. Examples of matters requiring prior approval of the Grants Review Committee are:

- Requests for donation of Sunovion products.
- Requests for donation of excess or expired marketing materials.
- Placement of toy collection boxes on Company property.
- Donations of equipment as part of the Company's clinical trial programs.

3.6 **Fundraising Events.** Tickets or a table purchased for a fundraising dinner, concert or other event, or slots at a fundraising golf tournament must be used by Company personnel or returned to the Charitable Organization to use as it wishes. The Company may not invite Healthcare Professionals to attend such an event at the Company's expense. If designated by the Grants Review Committee, a representative of the Corporate Communications Department, in consultation with the Legal Affairs Department, may approve requests from Company employees to purchase individual tickets to fundraising events sponsored by well-recognized 501(c)(3) Charitable Organizations whose mission is consistent with the Company's Charitable Focus.

3.7 **Tax Deductible Status.** Questions involving the tax deductibility of any given charitable contribution must be directed to the Vice President of Tax or his/her designee.

#### **SECTION 4. COMPLIANCE WITH LAWS:**

Sunovion intends that its employees and persons acting on behalf of the Company shall comply at all times with all laws and regulations regarding charitable donations.

#### **SECTION 5. GENERAL 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](http://www.ethicspoint.com)

Sunovion does not tolerate any form of retaliation or adverse action against any employee who submits a report of misconduct in good faith. 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

Educational Grants Policy

Support of Third Party Organizations Policy

Investigator-Initiated Studies Policy

Political Contributions Policy

External Communications Policy

Code of Conduct and Ethics

Conflicts of Interest Policy