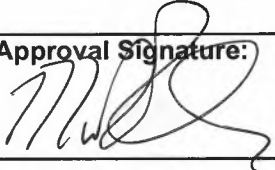




SUNOVION PHARMACEUTICALS INC.

CORPORATE POLICY

WORKING TITLE: Corporate Policy Review Committee (CPRC)		POLICY NO: 1.0	
Supersedes: CP 1.0 Development and Approval of Sunovion Corporate Policies (Amended: 6/1/10)	Approval Signature: 	Date Issued: July 8, 2011	Page: 1 of 8

SECTION 1. PURPOSE:

The purposes of this Policy are to: (1) define the process for the development and approval of Corporate Policies; (2) distinguish Corporate Policies from SOPs, guidelines, rules, procedures, etc.; (3) identify roles and responsibilities in the origination, revision, and archiving of Corporate Policies, (4) define the role of the Corporate Policy Review Committee; and (5) describe the process by which new and revised Corporate Policies are communicated to employees.

SECTION 2. DEFINITIONS:

- 2.1 "Chair of the CPRC" or "Chair" means the head of the Compliance and Ethics Department at Sunovion.
- 2.2 "CEO" means the Chief Executive Officer of Sunovion.
- 2.3 "Corporate Policy" or "Corporate Policies" are either a policy or policies that apply to Sunovion and all of its employees, contractors and other third-parties acting on behalf of Sunovion, and which effectuate the standards set forth in the Sunovion Code of Conduct and Ethics while having primacy over SOPs and other guidelines, rules or procedures.
- 2.4 "Corporate Policy Review Committee ("CPRC")" means the committee responsible for reviewing and approving all proposed new or revised Corporate Policies.
- 2.5 "CPRC Secretariat" means the administrator of the CPRC appointed by the Chair of the CPRC.
- 2.6 "Executive Leadership Team" of "ELT" means the Sunovion executive decision making body for corporate management decisions appointed by the CEO.

- 2.7 "Master Files" means files consisting of current, superseded and retired Corporate Policies and the policy history.
- 2.8 "Policy" means this Sunovion policy.
- 2.9 "Sunovion" or "Company" means Sunovion Pharmaceuticals Inc., together with all of its subsidiaries, divisions and affiliates no matter where located.
- 2.10 "Standing Members" of the CPRC shall be the heads of each of the following departments: Compliance, Legal Affairs, Human Resources, Commercial, Clinical Research and Medical Affairs (CRMA) and Finance.
- 2.11 "Team Leader" means a Sunovion employee who is assigned by the CPRC to be ultimately responsible for leading a Policy Working Group that drafts and presents to CPRC for approval, a new or revised Corporate Policy.
- 2.12 "Standard Operating Procedure" or "SOP" (sometimes otherwise known as a "Guideline", "Rule" or "Procedure") means a written instruction to implement a Corporate Policy or a portion thereof and which is designed to achieve uniformity in the performance of a given operation, and which is developed in a manner such that a person with reasonable experience, training and education could use the document to complete the operation. An SOP is subordinate to, and controlled by, the terms of any Corporate Policy to which it is subject, or which also covers the same subject matter. In General, any functional area responsible for compliance with a specific Corporate Policy may develop underlying SOPs for their area without the approval of the CPRC.
- 2.13 "Working Group" means a group of employees responsible for drafting a proposed Corporate Policy at the direction of the CPRC.

SECTION 3. APPLICABILITY AND RESPONSIBILITIES:

3.1 Applicability

This Corporate Policy applies to all business units and employees of Sunovion, including its affiliates, subsidiaries and divisions no matter where located.

3.2 Responsibilities

- 3.2.1 The Chair of the CPRC has overall responsibility for the administrative process related to the origination, revision, communication, and archiving of Corporate Policies. The Chair may issue SOPs or guidelines to refine these responsibilities.
- 3.2.2 The CPRC is responsible for reviewing a proposed Corporate Policy in accordance with this Policy, any related Corporate Policies and the Code of Conduct and Ethics and voting to approve or reject a proposed Corporate Policy.
- 3.2.3 Each executive head (EVP, SVP,VP) of a business unit covered by a Corporate Policy has the responsibility to ensure that the Policy is implemented and

followed. Such officer, director or manager may initiate SOPs or other Guidelines compliant with the Corporate Policy to aid in its implementation.

SECTION 4: GENERAL:

4.1. Corporate Policy Requirements

- 4.1.1 For any document to qualify as a Corporate Policy, it must be reviewed and approved through the CPRC as detailed in this Policy.
- 4.1.2 Corporate Policies are obligatory, and establish minimum standards that must be followed by all business units and all employees, contractors and other third-parties acting on behalf of Sunovion. .
- 4.1.3 All Corporate Policies will use a standardized template (See Appendix 1) and will contain at minimum the following sections:
 - Purpose
 - Definitions
 - Applicability and Responsibilities
 - Reporting Concerns

4.2 Code of Conduct and Corporate Policy Preemption

- 4.2.1 In the event of a conflict between the Code of Conduct and Ethics and a Corporate Policy, the Code of Conduct shall govern. Contradictions between a Corporate Policy and any SOP, guideline, rule and/or procedure shall be determined in favor of the Corporate Policy.

4.3 Origination, Revision, Communication and Archiving of Policies

4.3.1 Origination of Corporate Policies

- 4.3.1.1 A Corporate Policy may be proposed by any employee of the Company with the approval of the Senior Leadership Team (SLT) member from that employee's department. Such proposal is to be made to the Chair of the CPRC or to the Secretariat or designee by way of a CPRC request form.
- 4.3.1.2 The CPRC Secretariat will review the proposed Corporate Policy with the CPRC which shall determine whether the proposed Corporate Policy should be developed or the topic should be incorporated into an already existing policy. If the CPRC determines that a new Corporate Policy should be developed, the CPRC shall direct the Secretariat to form a "Working Group" for the purpose of developing a Corporate Policy for review by the CPRC.

4.3.2 Development of Corporate Policies

- 4.3.2.1 The CPRC will appoint the Team Leader of the Working Group responsible for developing the Corporate Policy which includes initiating the Working Group of employees with expertise about or interest in such Corporate Policy. The CPRC may also designate working group members or functional areas to be represented in the Working Group or request that the team leader present a list of the Working Group members for approval.
- 4.3.2.2 The CPRC shall also assign, in consultation with the Team Leader, a completion date for the proposed policy.
- 4.3.2.3 The Team Leader shall keep the CPRC Secretariat apprised of the progress and development of such Corporate Policy.
- 4.3.2.4 The CPRC may promulgate standard instructions for such development.
- 4.3.2.5 When the Team Leader deems the proposed Corporate Policy complete, the Team Leader will contact the Secretariat to place the Proposed Policy on the agenda of the next CPRC meeting for a vote in accordance with Sections 4.4.1, and 4.5.3 of this Policy. A copy of the proposed policy shall be provided to the CPRC and distributed to the members no less than two weeks prior to the scheduled meeting for review.

4.3.3 Archiving of Corporate Policies

- 4.3.3.1 Upon approval of the Policy pursuant to Section 4.4 of this Policy, the Secretariat will publish the newly approved Corporate Policy (or agreed upon relevant subsection of the Corporate Policy) to the Company and will publish the Corporate Policy with the other Company Policies on the Company's intranet, as appropriate.
- 4.3.3.2 The CPRC Secretariat shall be responsible for maintaining the archive of Corporate Policies and for reviewing it no less than semi-annually for staleness or for other administrative issues. The CPRC Secretariat may produce SOPs to define this process.

4.3.4 Revisions to Corporate Policies: Revisions to existing Corporate Policies shall undergo the same process for review as a newly suggested Corporate Policy.

4.4 Approval Process for Corporate Policies and Effective Dates

- 4.4.1 Where the CPRC votes to approve a Corporate Policy, it shall be deemed approved and an official Corporate Policy upon signature by each CPRC member of a final clean version.
- 4.4.2 The Chair shall provide quarterly updates on newly approved policies to the CEO and the Sunovion's ELT.
- 4.5 Organization, Membership and Functioning of the CPRC
 - 4.5.1 Composition: The CPRC shall be comprised of the Standing Members and the Secretariat of the CPRC.
 - 4.5.2 The CPRC Secretariat shall prepare the agenda for each duly called CPRC meeting, distribute the drafts to be discussed at such meeting and record and circulate minutes of each such meeting. The CPRC may establish by SOP or other Guidelines additional duties of the CPRC Secretariat.
 - 4.5.3 Voting Process
 - 4.5.3.1 The Standing Members shall each have one, equal vote at the CPRC.
 - 4.5.3.2 A majority of the Standing Members may agree to extend a single, equal vote to any department or function with particular interests in a proposed Corporate Policy.
 - 4.5.3.3 A unanimous vote of approval by each of the Standing Members and any votes extended under Section 4.5.3.2 is required to approve a proposed Corporate Policy.
 - 4.5.3.4 If all Standing Members of the CPRC are not present at a meeting, provided that there is a least a quorum of four Standing Members, a unanimous vote of the present Standing Members and any votes extended under Section 4.5.3.2 will be sufficient to approve a proposed Corporate Policy pending final signature by all Standing Members and any voters extended under Section 4.5.3.2.
 - 4.5.3.5 Should any Standing Member or voter extended under Section who is not present at a CPRC meeting where a proposed Corporate Policy is approved in accordance with Section 4.5.3.4, choose not to sign a proposed Corporate Policy, that proposed Corporate Policy shall be returned to the CPRC for further review and re-voting.
 - 4.5.4 Meetings

The CPRC should meet at least on a quarterly basis. Individual members can request more frequent meetings as required.

SECTION 5: OTHER MATTERS

5.1 Amendment

Management reserves the right to amend this policy as appropriate at any time without prior notice.

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

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.



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SECTION 2. DEFINITIONS:

SECTION 3. APPLICABILITY AND RESPONSIBILITIES:

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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**".

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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)