



**Sunovion Pharmaceuticals Inc.
California Comprehensive Compliance Program**

NOTICE: this information is provided pursuant to the requirements of California Health & Safety Code § 119402 (S.B. 1765), which requires certain pharmaceutical and medical device companies doing business in California to make available their program for compliance with applicable federal and state laws and industry standards regulating the marketing and promotion of their products.

Sunovion Pharmaceuticals Inc. (“Sunovion or the Company”) has adopted this Comprehensive Compliance Program in accordance with the April 2003 “Compliance Program Guidance for Pharmaceutical Manufacturers” from the United States Department of Health & Human Services Office of Inspector General (“OIG Guidance”) as well as all other applicable federal and state laws and regulations and the Sunovion Code of Conduct and Ethics.

- **Written Standards**

Sunovion has a publicly available Code of Conduct and Ethics setting forth the company’s commitment to compliance by its management, employees and agents. The Code requires that employees, officers and directors endeavor to deal honestly, ethically and fairly with Sunovion’s suppliers, customers, competitors and employees. The Code is incorporated fully into this Comprehensive Compliance Program and is available at www.Sunovion.com.

Sunovion has internal policies in place requiring all employees to comply with the provisions of the “Pharmaceutical Research and Manufacturers of America (“PhRMA”) Code on Interactions with Health Care Professionals” dated July 1, 2002, as revised on January 1, 2009 (“PhRMA Code”) as well as the OIG Guidance. In addition, the company issues policies and guidance on a variety of other matters, including conflicts of interests, samples, anti-kickback laws, rebates, price reporting and interaction and external communications with health care professionals. All such policies and guidance require strict adherence to applicable laws and regulations. These policies are updated as needed.

- **Medically Relevant, Patient Education Items**

In accordance with Sunovion’s Code of Conduct and Ethics, relevant policies and guidance, the revised PhRMA Code and subject to any state law prohibition or limitation, Sunovion allows for modest and occasional medically relevant patient education items to be given to healthcare professionals subject to a \$100 limit. Where states like California have required it, Sunovion has implemented a \$2000 per healthcare professional annual limit on meals, promotional materials or other items from Sunovion. These limits do not include the value of samples, professional services or other permitted items under the OIG Guidance or relevant state or federal law.

- Compliance Oversight Responsibility

The Corporate Compliance and Ethics Department has responsibility for oversight of the Comprehensive Compliance Program. The Senior Vice President, Chief Compliance and Ethics Officer, maintains open and effective lines of communication with other departments of the company and reports to Chief Administrative Officer. The Senior Vice President, Chief Compliance and Ethics Officer is also responsible for overseeing implementation and oversight of the Comprehensive Compliance Program, responding promptly to compliance-related issues raised in any manner, and taking whatever corrective or disciplinary action may be necessary to resolve or remediate the compliance-related issue or matter.

The company maintains a toll-free hotline that any employee can use to raise a concern, or make a report of suspicious activity, (anonymously if desired). Any such report relating to this Comprehensive Compliance Program may be directed to the Compliance Department in any of the following means:

Compliance Hotline: 1-866-886-1348

Compliance Website: www.sunovion.ethicspoint.com

- Training

All new Sunovion employees are trained on issues contained in the Comprehensive Compliance Program, including compliance with the Code of Conduct and Ethics, the PhRMA Code and the options for reporting compliance-related concerns. Additional refresher training and updates covering not only the PhRMA Code but other issues relevant to Sunovion's industry and workplace are provided to employees on a regular basis.

- Auditing, Monitoring, and Discipline

The Corporate Compliance and Ethics Department coordinates company audit activity and oversees the auditing and monitoring of Sunovion's Comprehensive Compliance Program. Additionally, each operating function within Sunovion also monitors the activities of its employees and agents for compliance. The Corporate Compliance and Ethics Department and other operating functions have the authority and resources available to them to audit matters they deem necessary. Should misconduct on the part of an employee be detected and determined, disciplinary action up to and including termination of employment may be taken.

- Responding and Reporting

Pursuant to the Code of Conduct and Ethics and Sunovion's policies, employees must promptly report any violation of the Comprehensive Compliance Program or any policies of the company using any of the available company resources, including the toll-free

hotline and website. Employees making good-faith reports are protected from retaliation. Employees are permitted to cooperate with law enforcement and are required to refrain from taking any action to interfere with an ongoing investigation.

- Updates

This Comprehensive Compliance Program may be amended, altered or revised from time-to-time as needed and without prior notice.