



SEPRACOR INC.

CORPORATE POLICIES

SUBJECT/TITLE: Open Door and Fair Investigation Policy		POLICY: No. 1.07	
Supersedes:	Approval Signature: <i>Achman Achman</i>	Date Issued: June 16, 2009	Page: 1 of 6

INTRODUCTION:

Sepracor Inc. ("Sepracor" or "Company") has adopted an Open Door and Fair Investigation Policy (the "Policy") in order to encourage open communication, feedback, and discussion about any Company matter of importance to an employee and to create an environment where employees can raise issues and concerns, including reports of violations or suspected violations of alleged misconduct or wrongful behavior, without fear of retaliation, or concern that the matter will not be acted upon. When a complaint is alleged regarding a violation of a law, regulation, Sepracor Policy, or Sepracor's Code of Conduct and Ethics, or which raises allegations of other wrongful behavior, a fair and thorough evaluation of the matter will be conducted and, if warranted, an investigation consistent with this Policy will follow.

The Company is committed to complying with the laws and regulations to which it is subject, developing and implementing policies and procedures to further these laws and regulations, and promoting ethical business practices and treatment of its employees, and vendors, consultants and contractors acting on behalf of Sepracor.

Section 1. SCOPE AND PURPOSE:

- 1.1 All complaints will be handled in a fair and thorough manner and as expeditiously as possible. An investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances.
- 1.2 The investigative process may include interviews, review of relevant documentation (including, but not limited to expense reports, e-mails, etc.) and other information gathering practices. Any employee alleged to have engaged in violative behavior will have the opportunity to address the allegations.
- 1.3 All employees and relevant third parties, such as consultants, vendors etc., are expected to cooperate during an investigation as to any matter arising out of their employment or terms of engagement with Sepracor. If it is

found during an investigation that an employee or relevant third party lied or intentionally failed to disclose, concealed or otherwise covered up relevant information, or attempted to persuade or otherwise coerce another employee or relevant third party involved in an investigation into lying, or intentionally failing to disclose, concealing or otherwise covering up relevant information, that employee or relevant third party may be subject to disciplinary action up to and including termination of any employment or engagement with Sepracor.

- 1.4 All employees and relevant third parties, such as consultants, vendors etc., shall be protected from coercion, intimidation, retaliation, interference, or discrimination for bringing forth a complaint, raising a concern, or assisting in an investigation.
- 1.5 Sepracor will inform the complaining party as to when the investigation is concluded. Any information concerning a complaint and/or investigation will only be disclosed to Company representatives on a limited and need to know basis.
- 1.6 If the investigation reveals that an employee or relevant third party, such as a consultant, vendor etc., has engaged in inappropriate or unacceptable workplace behavior, including but not limited to, a Code of Conduct and Ethics violation, a policy violation or violation of applicable law or regulation, Sepracor will act promptly to address the offending conduct, and implement any appropriate corrective or disciplinary action as Sepracor deems appropriate.

Section 2. DEFINITIONS:

- 2.1 "Compliance Investigations Committee" ("CIC") shall mean the committee charged with reviewing findings and making all determinations necessary for the resolution of a compliance based investigation/matter resulting in corrective action. The CIC shall consist of senior members from the Compliance, Human Resources and Legal Affairs Departments or their designees. Senior-level ad hoc members from other Departments may be added as necessary.
- 2.2 "Corrective Action" shall mean any action following the conclusion of an investigation or matter that is necessary to remediate or resolve a problem or issue identified during the course of the investigation or matter. Corrective action may include, but is not limited to, counseling, training, policy development, and/or disciplinary action.
- 2.3 "Executive Leadership Team" ("ELT") shall mean the Executive Officers of the Company. The ELT shall review all findings and make final determinations necessary for the resolution of a compliance based investigation or matter resulting in corrective action, whenever such resolution is not reached by the CIC.
- 2.4 "Hotline" shall mean the telephonic and internet-based system maintained by Sepracor to document, catalog and review employee concerns and reports

regarding wrongful behavior, including violations or suspected violations of the Code of Conduct and Ethics, a Company policy, or law, or regulation. Such reports and concerns may be submitted on a confidential or anonymous basis, as set forth in subsections 2.4.1 and 2.4.2 below. Reports of violations or suspected violations of alleged misconduct or wrongful behavior through the Hotline will be reviewed and managed by the Compliance Department and will be maintained as confidential as practicable under the circumstances and as necessary to conduct a full and fair investigation.

2.4.1 Toll free telephone number: 866-886-1348; or,

2.4.2 Online at: www.ethicspoint.com

- 2.5 “Investigation” shall mean any fact-finding inquiry conducted pursuant to this Policy and/or any procedure promulgated thereunder.
- 2.6 “Investigator” shall mean, an individual charged under this Policy and/or any procedure promulgated thereunder with overseeing the process and the conduct of an investigation into alleged misconduct or wrongful behavior.
- 2.7 “Open Door” shall mean that employees are free to speak with any manager at any time, as well as with representatives from the Human Resources, Legal Affairs or Compliance Departments, about any concern regarding compliance with the Code of Conduct and Ethics, a Company policy, or law, or regulation. Managers must make themselves available for discussion, be willing to listen, and to the extent practicable, provide advice and/or direct the employee to the appropriate Sepracor resource.
- 2.8 “Subject” shall mean the individual about whom an allegation of misconduct or wrongful behavior has been raised.

Section 3. APPLICABILITY, ROLES AND RESPONSIBILITIES:

- 3.1 This policy applies to all Sepracor employees, subsidiaries, affiliates and relevant third parties, such as consultants, vendors etc.
- 3.2 **All Sepracor employees** are required to report violations of the Code of Conduct and Ethics, a Company Policy, and laws or regulations of which they become aware to a manager, a member of the Compliance, Legal Affairs or Human Resources Departments, or through the Hotline, as described in Section 2.2 above.
- 3.3 Any report of misconduct or wrongful behavior related to the subject matters described in the table below, except for any situations described in sections 3.5 and 3.6 below, shall be initially investigated by the corresponding, identified Department or Business Unit, in accordance with this Policy, and any procedure promulgated thereunder. The Executive or Senior Vice President for the identified Department or Business Unit shall be responsible for designating the Investigator for such matters. If the report

raises a potential violation of the Code of Conduct and Ethics, or a law, or a policy, the Investigators(s) within the identified Department or Business Unit charged with investigating the matter shall log any such report into the Hotline database at www.ethicspoint.com. The Compliance Department shall review such reports to determine whether an issue identified in a report warrants the involvement of Compliance, Legal Affairs or other Departments.

Type of Complaint	Responsibility for Initial Investigation
Workplace Harassment, Discrimination or Non-Retaliation Policies	Human Resources/Legal Affairs
Adverse Events or Product Complaints	Drug Safety and Pharmacovigilance
Regulatory Product Registration Matters	Regulatory Affairs
Financial Accounting and Related Matters	Finance
Product Manufacturing or Quality Matters	Quality Assurance
Legal Matters	Legal Affairs
Sample Accountability/PDMA	Sample Accountability Committee
Performance Issues	Human Resources/Manager

- 3.4 Any report of misconduct or wrongful behavior regarding the Code of Conduct and Ethics, a Company policy, or a law, or regulation, except for the matters identified in the table under Section 3.3 and any situation described in Sections 3.5 and 3.6 below, shall be investigated by the Compliance Department with the assistance of either or both the Human Resources and Legal Affairs Departments. The Executive or Senior Vice President from each involved Department shall designate an Investigator for the matter.
- 3.5 Due to an actual or potential conflict of interests, or due to the appearance of an actual potential conflict of interests, whenever an allegation of misconduct or wrongful behavior involves an Executive or Senior Officer of the Company, the Executive Vice President and General Counsel (“General Counsel”), in consultation with the CCO where appropriate, shall determine if it is necessary to engage an outside firm to conduct the investigation and, if so, the officer and/or member(s) of the Board of Directors to whom the outside firm should report. Any such officer or Board member to whom the outside firm reports shall follow this Policy regarding such Investigations in all material respects.
- 3.5.1 If an allegation involves the CCO or a member of the Compliance Department, the General Counsel shall make the determination solely.

- 3.5.2 If an allegation involves the General Counsel, or a member of the Legal Affairs Department, the President and Chief Executive Officer shall make the determination in consultation with the CCO.
- 3.6 The CIC is authorized by this Policy to develop procedures and/or an investigative protocol setting forth the guidelines applicable to the conduct of Investigations.
 - 3.6.1 Any investigative protocol promulgated pursuant to this Policy shall require the Investigator(s) at the outset to (1) identify the Code of Conduct and Ethics section, law, policy, regulation, or procedure, etc., alleged to have been violated; (2) assess the sufficiency of the facts or evidence to support the allegation; and (3) determine whether a full investigation is warranted, or, alternatively, whether the matter may be closed without further investigation.

Section 4. INVESTIGATIVE PROCESS AND REVIEW:

- 4.1 When it has been determined that an Investigation is warranted, the Investigator(s) shall follow the applicable investigative protocol and shall, at the conclusion of the Investigation, prepare a written report, with any accompanying exhibits, detailing the findings of the Investigation and, if requested, an initial recommendation as to any corrective action(s) to be taken, including any disciplinary action.
- 4.2 Once the Investigation has concluded, the Investigator(s) shall, for Investigations dealing solely with matters identified in the table under Section 3.3, submit the report of Investigation to the Executive Vice President, Human Resources, who shall work with the relevant manager(s) to implement whatever corrective actions may be warranted under the circumstances.
- 4.3 Where an Investigation concerns allegations of misconduct or wrongful behavior regarding the Code of Conduct and Ethics, a Company Policy, or a law or regulation other than the matters identified in the table under Section 3.3, the Investigator(s) shall submit the report of Investigation to the CIC. At the request of the CIC, the Investigator(s) shall provide an initial recommendation as to any corrective action(s) to be taken, including any disciplinary action.
 - 4.3.1 If the Investigators are unable to reach consensus as to any principal finding, or if the Subject's line manager disagrees with the Investigators' findings or initial recommendation, the matter shall be referred to the CIC for resolution of any outstanding issues, including the appropriate corrective or disciplinary action(s).
 - 4.3.2 If the CIC and senior management are unable to resolve all outstanding issues, including the appropriate corrective or

disciplinary action(s), the CCO shall present the matter to the ELT for *final* resolution and disposition of all outstanding issues.

Section 5. AMENDMENT:

Management reserves the right to amend this policy at any time without prior notice, pursuant to Corporate Policy No. 1.0 and any procedures promulgated thereunder.