



# Policy on Payments to Government Employees





September 17, 2007

Dear Colleague:

At Wyeth, we are committed to the highest standards of integrity and ethical business conduct. As part of that commitment, we have adopted a new Policy on Payments to Government Employees. This Policy supplements our Code of Conduct and makes clear that we will comply strictly with laws around the world that restrict or prohibit such payments.

These laws, including the U.S. Foreign Corrupt Practices Act and laws implementing the Organization for Economic Cooperation & Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, are complex. This document provides practical guidance on compliance. The Policy applies to all Wyeth employees, at every level, and it applies as well to distributors, agents, and other third parties that may interact with Government Employees on our behalf.

I urge you to review this Policy carefully, and to consult with the Law Department if you have any questions or concerns.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "Robert Essner".

Robert Essner  
Chairman and Chief Executive Officer

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## Scope

It is the policy of Wyeth to use only ethical business practices. As part of that commitment, Wyeth strictly limits payments of any kind to Government Employees (see *Definitions*) by Wyeth employees, directors and officers, wherever located, or by Intermediaries (see *Definitions*). The provision of a payment or anything of value to, for the benefit of, or at the request of a Government Employee:

- Must be consistent with local laws and regulations;
- May only be made for a *bona fide* and legitimate business purpose;
- May not be made with an intent to influence the Government Employee inappropriately;
- May not be in exchange for the award of business or other improper advantage;
- Must not be extravagant;
- Must be provided openly and transparently; and
- Must be properly recorded and adequately documented.

This Policy has been adopted to further compliance with the *Wyeth Code of Conduct*, specifically to help ensure compliance with the prohibition on improper payments to Government Employees. This policy will also help ensure compliance with the U.S. Foreign Corrupt Practices Act (the “FCPA”) and similar anti-corruption laws adopted by a number of countries to implement the Organization for Economic Cooperation & Development’s Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. These laws prohibit or restrict the provision of payments or other things of value, directly or indirectly, to Government Employees.

This Policy applies to all employees, directors, and officers of Wyeth and its affiliates worldwide (“Wyeth”) and any Intermediary. Procedures governing interactions between U.S. based personnel and Government Employees of the United States Government are set forth elsewhere, *e.g.*, Wyeth Pharmaceutical’s Authorized U.S. Distributor Program. The procedures set forth herein are applicable to interactions (a) with Government Employees in jurisdictions other than the United States and (b) between Wyeth’s non-U.S. affiliates and Government Employees of the United States.

## Definitions

### **“Government Employee” means:**

- Any elected or appointed official of a federal, state, local or municipal government (including, *e.g.*, presidents, ministers, royalty, members of parliaments or legislatures, governors, mayors, etc.);
- Directors, officers or employees of any rank or level of a governmental institution, department, agency, or instrumentality, including government-owned or -controlled enterprises (including physicians, other healthcare professionals (“HCPs”) and academics employed by government-owned or -controlled hospitals or other institutions);
- Directors, officers, or employees of a public international organization (including the World Health Organization, UNICEF, and other bodies affiliated with the United Nations, the World Trade Organization and the European Union) or
- Political parties or their officials, as well as candidates for political office.

### **“Intermediary” means:**

- Any party retained to represent Wyeth in dealing with Government Employees; or
- Any non-employee or entity paid on a commission basis to promote or sell Wyeth product and who, with respect to such product, interacts in some way with a Government Employee.
- Depending on the circumstances, any party to which Wyeth sells or provides product that, in turn, resells or provides such product to anyone other than an end-user and who, with respect to such product, interacts in some way with a Government Employee, may also be considered an “Intermediary” for purposes of this Policy.

Examples of Intermediaries may include “distributors,” “wholesalers,” “sales or commission agents” and certain “consultants,” regardless of how they are designated.

## Policy Provisions

### Prohibited Payments

In accordance with the FCPA and similar anti-corruption laws, no Wyeth employee, director, officer or Intermediary may “corruptly” offer, pay, promise to pay or authorize the giving of anything of value (“Payments”), directly or indirectly, to any Government Employee for the purpose of:

- Influencing any act or decision within the scope of authority of that Government Employee, including, when applicable, selecting which products to purchase, prescribe or use (see *Specific Procedures*, Section 8, page 7 with respect to the limited exception for so-called “facilitating payments”);
- Inducing him or her to do or refrain from doing any act in violation of his or her lawful duty;
- Inducing him or her to use his or her influence with a government or government-owned or -operated entity or to influence any act or decision of such government or government-owned or -operated entities; or
- Securing any improper advantage.

A “corrupt” Payment is one made with an improper motive, involving the intent to achieve an unlawful objective or to achieve a lawful objective through unlawful means.

### Accurate Books and Records

It is the policy of Wyeth to maintain accurate books and records. Each transaction entered into by Wyeth must have proper internal authorization and approval. All expenditures, including expenditures for gifts or business entertainment, must be accurately reported and recorded, and all accounting records, expense reports, invoices, vouchers and other business records must be accurately completed and properly maintained. False or misleading entries and undisclosed or unrecorded payments or accounts are strictly prohibited, as are any acts intended to circumvent or frustrate the operation of Wyeth’s internal accounting controls.

## Specific Procedures

### Distributors, Consultants, Agents and Representatives

An Intermediary can expose Wyeth to liability. Accordingly, each Wyeth Business Unit or affiliate should promptly provide a copy of this Policy to each Intermediary with which it is currently doing business. Further, appropriate due diligence procedures should be performed with respect to the services of potential and current Intermediaries, as follows:

- ▶ **Appendices A.1-4 set forth guidelines for conducting due diligence before *retaining* an Intermediary. Given the many different types of Intermediaries employed by Wyeth, these guidelines should be adapted, as appropriate.**

**With respect to *existing* Intermediaries, each Business Unit or affiliate should, within six months after the effective date of this Policy, (a) identify such Intermediaries, (b) develop criteria by which to evaluate the risk of liability associated with the activities undertaken by each such Intermediary on its behalf and (c) develop a plan, in coordination with the Law Department, for (1) the extent of due diligence it accordingly proposes to conduct on each such existing Intermediary (including use or adaptation, as appropriate, of Appendices A.1-4) and (2) the timing of such due diligence.**

**Finally, Appendix A.5 sets forth suggested compliance language to be included in contracts with new Intermediaries and when contracts with existing Intermediaries are renewed or amended.**

### Interactions with Government Employees

In all cases, interactions between Wyeth and Government Employees must be consistent with local law, the *Wyeth Code of Conduct* and other applicable Wyeth policies, including, for Wyeth Pharmaceuticals, the *Global Guidance for Sales and Marketing Practices* (“WPP-501”), and any applicable local Wyeth procedures. In addition, the following requirements generally apply to the more common types of such interactions:

#### 1. TRAVEL AND ENTERTAINMENT.

Expenditures associated with travel, hospitality, meals or entertainment for Government Employees should meet the following criteria:

- Be directly related to the promotion, demonstration or explanation of Wyeth products or services or the execution or performance of a contract with or for a Government Employee or a government, government agency or instrumentality, including state-owned or -controlled hospitals or other institutions;
- Be at levels no greater than would be permitted for Wyeth employees under Wyeth’s internal travel and expense guidelines and practices;
- Not be made with such frequency or regularity as to undermine the objectives of this Policy or create an appearance of impropriety;
- For anything other than meals, be preceded by notice to the employer or supervisor of the person(s) being offered travel, hospitality or entertainment (in certain circumstances, the Law

## Specific Procedures *(continued)*

Department may require written acknowledgment from the relevant government employer);

- Not include the sponsorship of spouses, family members or other guests;
- Not include paid or reimbursed stopovers;
- With respect to travel and lodging expenditures, not be made directly to the Government Employee in the form of up-front payments. Where possible, travel arrangements should be made by pre-paid tickets and lodging paid for directly by Wyeth (otherwise, Wyeth should, if possible, reimburse the relevant government employer rather than the Government Employee). Per diem payments are generally not permitted; and
- Be properly recorded and adequately documented.

### 2. *CONFERENCES AND OTHER SPONSORSHIPS, HONORARIA AND GRANTS.*

Expenditures associated with hosting conferences and sponsorships or paying honoraria and grants that could result in Payments to, for the benefit of, or at the request of Government Employees should meet the following criteria:

- An event to be sponsored at which some invitees may be Government Employees should consist primarily of scientific/medical briefings/meetings, with entertainment/recreation that is minimal in relation to the scientific/medical portions of the program. Wyeth generally may not fund, organize or host for any Government Employees any entertainment or leisure activities that are separate from the sponsored event;

- A sponsored Government Employee should have relevant expertise;
- The sponsorship should not include spouses, family members or other guests of Government Employees. Only the sponsored Government Employee may benefit from the Payment or sponsorship;
- The sponsorship should be preceded by notice to the employer or supervisor of the sponsored individual (in certain circumstances, the Law Department may require written acknowledgment from the relevant government employer);
- Any travel arrangements should meet the requirements set forth in Section 1 above ;
- Program registration fees and the like should generally be paid directly to the organization hosting the event and
- Should be properly recorded and adequately documented.

### 3. *ENGAGING SERVICES OF GOVERNMENT EMPLOYEES.*

Any engagement by Wyeth of the services of a Government Employee (*e.g.*, as a clinical investigator, research collaborator, speaker, consultant or preceptor) must:

- Stem from a legitimate need for the service, with such services provided by someone qualified to meet such need;
- Involve remuneration commensurate to the services provided;
- Include FCPA compliance provisions in the governing agreements, as directed by the Law Department;

## Specific Procedures *(continued)*

- Be preceded by notice to the employer or supervisor of the person(s) whose services will be engaged (in certain circumstances, the Law Department may require written acknowledgment from the relevant government employer);
- If involving travel, lodging or other expenditures, should be in conformity with the parameters outlined in Section 1 on page 4; and
- Should be properly recorded and adequately documented.

Heightened sensitivity is merited in situations in which Wyeth seeks to engage the services of a Government Employee that is involved in awarding business to, or influencing government action with respect to, Wyeth.

#### 4. GIFTS, PROMOTIONAL ITEMS AND SAMPLES.

Gifts and promotional items offered or given to Government Employees must:

- Not be offered in explicit or implicit exchange for specific favors or benefits from the recipient (in his or her public or private capacity) or from his or her employer;
- Never include cash payments;
- Be modest in quantity and value (on specific occasions as well as in the aggregate) and
- Be properly recorded and adequately documented.

While the provision of samples to Government Employees must meet the criteria set forth in this Section, the provision of samples to private and public hospitals or other institutions are regulated by local law, industry codes or other Wyeth policies (and hence outside of the scope of this Policy).

### ***Assuring Compliance with this Policy in connection with the Above-Described Interactions***

- **Due to the varied and complex ways in which interactions between Wyeth and Government Employees may occur, interactions of the sort addressed in this Policy (*i.e.*, interactions involving possible Payments to or on behalf of Government Employees) should generally be pre-approved by the Law Department. The Compliance Review Form attached as *Appendix B* to this Policy sets forth a suggested form that may be used to provide the relevant information to the Law Department.**

**The Law Department will work with the Business Units and affiliates to determine whether certain categories of interactions with Government Employees may be approved in advance without the need for case-by-case review and approval (including, for example, situations in which there is substantial overlap with other Wyeth policies, procedures or guidance, such as WPP-501). Also, where appropriate, a Business Unit or affiliate may develop its own formal written procedures (SOPs) to address special circumstances applicable to that Business Unit or affiliate. Any such SOPs must be approved by the Law Department.**

**Where local requirements, industry codes and laws differ from this Policy's standards, the more restrictive standard shall apply. When in doubt, consult the Law Department.**

## Specific Procedures *(continued)*

### 5. CHARITABLE CONTRIBUTIONS.

Wyeth may be restricted or prohibited from making charitable contributions that could result in Payments to, for the benefit of, or at the request of Government Employees. Accordingly, such expenditures must comply with this Policy as well as the specific requirements of the *Wyeth Policy on Charitable Contributions and Donations (WCP-106)*.

### 6. POLITICAL CONTRIBUTIONS.

Many of the countries in which we do business strictly regulate the activities of corporations in the political process. No corporate funds, facilities or services of any kind may be paid or furnished to any political candidate for public office, to any political party or to any political initiative, referendum or other form of political campaign except in accordance with local law. All such expenditures should be approved in advance by the Law Department.

### 7. OTHER ACTIVITIES THAT COULD RESULT IN PAYMENTS TO GOVERNMENT EMPLOYEES.

In any other circumstances in which direct or indirect Payments to, for the benefit of or at the request of Government Employees are contemplated, consult in advance with the Law Department for compliance review and guidance.

### 8. FACILITATING PAYMENTS.

“Facilitating payments” are small payments to a Government Employee to expedite or secure performance of a routine governmental action that is non-discretionary, and for which a small payment is necessary to get or expedite the requested action. The term “routine governmental action” does not

include any decision by a foreign official on whether, or on what terms, to award new business to or continue business with a particular party, or any action taken by a foreign official involved in the decision-making process to encourage a decision to award new business or to continue business with a particular party. The following are considered to be facilitating payments under the FCPA:

- Obtaining permits, licenses or other official documents *to qualify a person to do business in a country*;
- Processing visas and work authorizations;
- Providing police protection, mail pick-up and delivery, or scheduling inspections associated with contract performance or related to transit of goods across country or
- Providing phone service, power and water supply, loading and unloading cargo or protecting perishable products or commodities from deterioration.

While facilitating payments are not illegal under the FCPA, they are typically prohibited by local law. Facilitating payments are strongly discouraged and should be avoided where at all possible. For any payments for the type of routine governmental actions specifically described above, advance approval from the local CFO must be obtained, any resulting payments must be reported to the local CFO and such payments must be properly recorded on the company’s books. For further guidance on this issue, consult the Law Department.

## Complying with the Policy

### Violations of Policy; Reporting and Investigation

Violations of this Policy may subject Wyeth employees to disciplinary action, including termination. Violations of the laws underlying this Policy can give rise to criminal prosecution and possible monetary fines and imprisonment.

Wyeth employees, directors, officers and other Intermediaries must report any suspected or actual violation of this Policy in accordance with the procedures set forth in the *Wyeth Code of Conduct*. This obligation is ongoing, and each individual has an obligation to update a report if new information is obtained. Under no circumstances will a report of such information made in good faith be the basis for retaliatory action against the individual making the report. A report of any suspected or actual violation may be made anonymously to the Wyeth Ethics Office to the extent permitted by local law.

### Certification

The General Manager/Managing Director and Chief Financial Officer of each Wyeth affiliate and division are required in the “Divisional/Affiliate Representation Letters” submitted to Wyeth’s Controller on a quarterly basis to certify, among other things, whether company funds have been used to make improper payments to Government Employees, whether transactions have been accurately recorded and reported and whether he/she is aware of any unreported violations of Wyeth’s Code of Conduct.

### Point of Contact for Questions or Concerns

Wyeth employees are encouraged to discuss in a timely manner with their supervisor and management questions or concerns that relate to issues covered by this Policy.

The Law Department is responsible for furnishing advice with respect to the interpretation of applicable laws and this Policy. For any circumstances requiring Law Department review under this Policy, such review should be sought from affiliate or regional in-house counsel, who will consult on an as-needed basis with their colleagues in the Law Department and outside counsel. The Law Department shall also ensure that Wyeth employees are informed and trained, as appropriate, with respect to this Policy. Upon notification of a suspected violation, the Law Department will ensure that an appropriate investigation is performed and that remedial action is taken, if appropriate.

## References

Wyeth Code of Conduct

[http://media.corporate-ir.net/media\\_files/IROL/78/78193/COC.pdf](http://media.corporate-ir.net/media_files/IROL/78/78193/COC.pdf)

Wyeth Policy 106, Charitable Contributions and Donations

[http://wapsd03.labs.wyeth.com/Policies/GeneralPolicies.nsf/EC20390166F180B8852573280048EC1A/\\$file/WCP-106\\_1.pdf](http://wapsd03.labs.wyeth.com/Policies/GeneralPolicies.nsf/EC20390166F180B8852573280048EC1A/$file/WCP-106_1.pdf)

Wyeth Pharmaceuticals Policy 501, Global Guidance For Sales and Marketing Practices

[http://wapsd03.labs.wyeth.com/policies/GeneralPolicies.nsf/DD28ED2A3F9484D58525722E004EA13C/\\$file/WPP-%20501.pdf](http://wapsd03.labs.wyeth.com/policies/GeneralPolicies.nsf/DD28ED2A3F9484D58525722E004EA13C/$file/WPP-%20501.pdf)



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