



## Section 003 – Whistleblower and Ethics Policy

**Scope:** This Whistleblower and Ethics Policy (“Policy”) applies to all the operating units of PDI, Inc., including any subsidiaries and affiliates (the “Company”).

**Responsibility:** This Policy will be reviewed annually by the Company’s Legal, Internal Audit, and Compliance Departments. Company’s Board of Director’s will approve the Policy. Questions regarding this Policy should be directed to the Legal Department.

### 3.1 Purpose, Objectives and Scope of the Policy

3.1.1 The Company is committed to conducting its business in accordance with the highest standards of honesty and integrity and to protecting employees from unlawful retaliation and discrimination for disclosing or reporting illegal or unethical conduct in good faith. In line with this commitment, the purpose of this Policy is to (i) establish procedures and guidelines; (ii) provide employees with an avenue to report workplace activities that may constitute fraud or involve criminal conduct or other violations of applicable law, rules or regulations; and (iii) to provide employees with the Company’s procedures to address any such complaints.

3.1.2 The Company has policies on equal employment opportunity, harassment and sexual harassment, and the reporting by employees of improper, unethical or illegal conduct or activity, which can be found in Company’s policies, which are posted on the corporate intranet, “*insidePDI*”, located at <http://insidepdi.pdi-inc.com/policy.asp>. Employees are required (and have a responsibility) to report to management any conduct or activity that they believe may give rise to legal or ethical problems or violate applicable legal requirements. This Policy is intended to cover matters involving suspected fraud, criminal conduct or other violations of applicable law, rules or regulations including, without limitation, any suspected unethical or illegal activities that fall within the following categories:

- harassment;
- discrimination;
- fraud and embezzlement;
- unethical or unlawful conduct;
- retaliation;
- accounting, internal accounting controls and auditing matters;
- conflicts of interest;
- falsification of contracts, reports or records;



- violations of the Prescription Drug Marketing Act of 1987, as amended;
- PhRMA code and other promotional compliance issues;
- violations of applicable state and federal securities laws, rules and regulations or any other provision of federal law relating to fraud against stockholders;
- theft;
- violation of any other laws

## **3.2 Procedures and Guidelines**

### **3.2.1 Committee.**

This Policy shall be administered by the Ethics Hotline Committee (the “Committee”), consisting of the Head of Internal Audit as the chairperson, the General Counsel (or equivalent), the Chief Compliance Officer and others as may be appropriate. The Committee was created to administer the Ethics Hotline (“Hotline”), which shall be in the form of e-mail, phone or regular mail, on which employees may leave confidential messages. Access to the Hotline is limited to the Head of Internal Audit, Chief Compliance Officer and General Counsel (or the equivalent) or other Committee members designated by them.

### **3.2.2 Reporting**

If an employee believes that any other employee or person acting on behalf of the Company has engaged in any fraudulent, improper, unethical, or other illegal activity, the employee may report it to his or her supervisor, the executive in charge of the applicable division, the Legal Department, or the Compliance Department. Alternatively, employees may also report suspected fraudulent, improper, unethical or illegal activity anonymously via a confidential and secure Internet and telephone based reporting system administered by an external vendor engaged by the Company. Currently, that system is LRN Guideline™, and it may be accessed via the internet at [www.guideline.lrn.com](http://www.guideline.lrn.com) or toll-free by telephone at 1-888-577-9483. Information about this system, including FAQs and instructions regarding its use, can be accessed on the Company’s Intranet site.

In addition, employees or others who have concerns regarding questionable accounting, internal accounting controls or auditing matters should send such complaints in writing to the mailing address listed below:

PDI, Inc.  
Chair of the Audit Committee of the Board of Directors  
c/o Corporate Secretary  
Morris Corporate Center 1, Building A  
300 Interpace Parkway  
Parsippany, New Jersey 07054

### **3.2.3 Procedure**



Regardless of whether a message is received on the Hotline through the telephone or internet, the Head of Internal Audit or another Committee member designated by him or her will review messages received on the Hotline and, within 48 business hours of receipt of e-mail notification, will arrange for the Committee to meeting to discuss the report. Such messages shall be recorded on a confidential log maintained by Company's independent Hotline vendor and shall contain the following data:

- date submitted;
- status;
- location, city/state/zip, country;
- status of reporter (employee, etc);
- alert level (green, yellow or red);
- report summary;
- issue type;
- person engaged in this behavior;
- supervisor or management involvement;
- management's knowledge of the issue;
- general nature of this matter;
- other relevant questions regarding the issue;
- name of reporter if identified; and
- follow-up questions by the Company.

All complaints will be communicated to the Chairperson of the Audit Committee of the Board of Directors (the "Audit Committee") or his or her designee for investigation within 48 business hours of receiving the Hotline report. The Audit Committee Chairperson will then communicate the complaint to other members of the Audit Committee. Investigation results will be communicated to the appropriate individuals as directed by the Audit Committee.

At least quarterly to coincide with each Audit Committee meeting, the Head of Internal Audit will discuss all activity with the Chairman of the Audit Committee of the Board of Directors. With respect to any issue that relates to disclosure controls and procedures, internal control over financial reporting or a related party transaction, the Head of Internal Audit will communicate each such item.

Copies of all complaints, including any supporting documentation, will be maintained by the Internal Audit Group for an appropriate period of time in accordance with legal requirements and any applicable document retention policies of the Company.

#### 3.2.4 Investigations



Once an employee reports suspected improper, unethical, illegal conduct or activities, or retaliation, the Company will investigate and keep the employee informed of the disposition to the extent permitted by law or otherwise appropriate under the circumstances. However, due to the confidential nature of such investigations, it may not be possible to provide specific details of the investigation or of the actions taken.

All investigations will be handled in a discreet manner. Those investigating may enlist employees of the Company or any of its affiliates and/or outside legal or other advisors, as appropriate, to conduct or otherwise assist in an investigation of the complaint. The Company will attempt to address all employee disclosures under this Policy and complete any and all related investigations in a timely manner. Upon conclusion of an investigation, the Company will take any corrective action that it deems, in its sole discretion, to be appropriate, up to and including termination of employment of any person who is determined to have acted fraudulently or illegally.

#### 3.2.4 Close Out

Once the Committee has reached a resolution with the functional areas regarding the Hotline report; the Internal Auditor or the Chief Compliance Officer will perform the following:

- Communicate to the Audit Committee Chairperson the resolution of the matter and the steps taken;
- Enter the conclusion into the Follow-Up section of the LRN Hotline report; and prepare a summary for the Company's internal files and Audit Committee meeting.

#### 3.2.5 Third Party Whistleblower Hotline Reports

Hotline reports made to a third party whistleblower hotline regarding Company follow the same procedures as mentioned above. The third party whistleblower hotline information is entered into the PDI LRN Ethicspoint website by either Company's Head of Internal Audit or Chief Compliance Officer.

#### 3.2.6 Confidentiality

The identity of any employee, who makes a report via LRN Guideline, whether online or via telephone, will be kept confidential unless the employee who makes the report consents to be identified or the identification of that employee is required by law. Similar confidential treatment will be provided to employees who report suspicious activity to any supervisor or a member of the Human Resources Department, the Legal Department or the Compliance Department.



### 3.2.7 No Retaliation

The Company's policies expressly prohibit any form of retaliation against employees who: (1) in good faith and for lawful purposes report, cause the investigation of suspected improper, unethical, or illegal conduct or activities by anyone at the Company; (2) lawfully provide, or cause to be provided, information to, or assist in an investigation conducted by, any federal regulatory or law enforcement agency or legislative body, related to possible violations of securities laws, rules or regulations, or laws related to fraud; or (3) file, cause to be, assist, participate, or give testimony in any proceedings filed or about to be filed related to such conduct.

No director, officer or employee who in good faith reports any suspected improper, unethical, fraudulent, or other illegal activities will be penalized or discriminated against by the Company, or any of its employees or agents in retaliation for reporting such allegations. An employee who retaliates against someone who has reported suspected fraudulent, criminal or other illegal activities in good faith is subject to discipline up to and including termination of employment.

If an employee believes that he or she has been retaliated against (including threatened or harassed), he or she should report it to his or her manager. If an employee feels uncomfortable reporting such retaliation to his or her immediate supervisor or manager, the employee may report the retaliation directly to a member of the Committee or anonymously through the Company's Hotline.

### 3.2.8 Version Control and Revision

This Policy will be updated and managed using version control. Under version control, a new policy will be given a version number, the numbering sequence begins with 001 and is given a new effective date (the date that the revised policy takes effect, approval date is dictated by Board approval). Applicable Company personnel are required to follow this policy and shall be trained on its content prior to date that this Policy takes effect.

This Policy will be reviewed annually by the Legal Department, with input by the Compliance and Internal Audit Departments. Notwithstanding the foregoing, this Policy may be updated as needed in the event of a material change in laws, rules or regulations.