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# Public Policy and Compliance Committee Charter

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## **Purpose**

The public policy and compliance committee shall review, identify and when appropriate bring to the attention of the board political, social, and legal trends and issues, and compliance and quality matters that may have an impact on the business operations, financial performance or public image of the company. The committee shall also review, monitor and make recommendations to the board on corporate policies and practices that relate to public policy and compliance.

## **Composition and Term**

The committee shall consist of no fewer than three directors, all of whom shall meet the New York Stock Exchange standards for director independence. At least one member of the committee shall serve concurrently on the audit committee. The committee members shall be appointed for one-year terms at the annual meeting of the board. The chairperson shall be designated by the board.

## **Administrative Matters**

The committee shall meet at least four times per year, including semiannual private sessions to discuss compliance and enterprise risk management with the Chief Ethics and Compliance Officer, the General Auditor, and the Senior Vice President of Quality; annual private sessions with the Chief Executive Officer to discuss succession management for the position of Chief Ethics and Compliance Officer; and at such other times as it determines to be necessary or appropriate. The committee shall meet at least once each year with the audit committee. The committee shall report to the full board of directors at the first board meeting following each committee meeting. The committee may, at any time, retain its own outside advisors at the company's expense. The committee and its members are free to talk directly and independently with any members of management in discharging committee responsibilities. The chairperson may designate any officer or employee of the company for attendance at any committee meeting.

## **Supporting Corporate Staff**

Senior vice president, corporate affairs and communications  
Senior vice president, enterprise risk management and chief ethics and compliance officer  
Senior vice president, global quality  
Office of the corporate secretary

## **Duties and Responsibilities**

The committee shall have the following duties and responsibilities:

1. Review policies and practices of the company and monitor compliance in areas of legal and social responsibility and when appropriate report and make recommendations to the board with respect to such policies and practices including those involving:
  - environmental protection
  - health and safety of employees
  - privacy
  - employment
  - clinical research
  - research and development
  - sales and marketing
  - quality
  - the ethical, social, and political aspects of pricing decisions
  - political engagement
  - support of charitable, educational, and business/trade organizations
2. Together with the audit committee, assist the board in its oversight of legal and regulatory compliance. The audit committee shall have sole oversight over matters of financial compliance (accounting, auditing, financial reporting, and investor disclosures). As to all other areas of compliance ("non-financial compliance"), the public policy and



compliance committee shall have oversight responsibilities in the first instance; however, the two committees shall meet jointly at least annually to review the major non-financial compliance matters, including:

- Significant legal or regulatory compliance exposure
  - Material reports or inquiries from regulators.
3. Review and approve annually the company's annual internal audit plans related to non-financial compliance, manufacturing quality, Good Manufacturing Practices compliance, and Good Clinical Practices compliance.
  4. Receive reports from the Chief Ethics and Compliance Officer at least four times per year, from the General Auditor and from the Senior Vice President of Quality at least annually.
  5. On an annual basis, reach a conclusion as to whether the company has implemented an effective compliance program to meet Federal health care program requirements, FDA requirements, and all other applicable legal and regulatory requirements.
  6. Identify and bring to the attention of the board as appropriate current and emerging political, social and environmental trends and public policy issues that may affect the business operations, performance or public image of the company.
  7. Review and make recommendations to the board regarding proposals of shareholders that relate to matters overseen by the committee.
  8. Annually review and assess the effectiveness of the committee and the adequacy of the reporting and information flows it is receiving, and make such changes as are required to maintain and enhance the committee's effectiveness, including recommending to the Directors and Corporate Governance Committee any changes to the committee's charter or membership.

The committee shall undertake such additional activities within the scope of its primary functions as the committee may from time to time determine.

