

Report on Regulatory, Compliance & Government Affairs Committee for Calendar Year 2017 *

During Calendar Year 2017, the [Regulatory, Compliance & Government Affairs Committee](#) held four regular meetings (approximately once per quarter) and also a joint meeting with the [Audit Committee](#). For each of those meetings, an agenda and materials were prepared in advance for review by the Committee members, and then formal presentations and discussions based upon those materials, as well as the meeting agenda, were conducted. The Committee received regular reports from management related to the Committee's oversight responsibilities outlined in its [Charter](#) as part of those formal presentations, including significant compliance and quality matters. Other topics that fall within the oversight of the Committee were also periodically raised and addressed during the course of the Committee meetings.

During these meetings the Committee received reports from, and held private meetings with, the Company's General Counsel (also a member of the Company's Executive Committee), Chief Compliance Officer, Chief Quality Officer and Vice President of Corporate Internal Audit related to, among other things:

- the organization, implementation and effectiveness of the Company's compliance and quality programs;
- the status of the ongoing compliance agreement with the U.S. Government related to the U.S. Pharmaceutical business;
- compliance and quality trends affecting the Company's regulatory compliance and compliance and quality issues at the Company;
- the implementation and material findings of management's annual quality audit plans;
- trends affecting the Company's supply chain;
- medical and quality issues;
- the operations of the Company's medical safety organizations;
- significant compliance and quality matters; and
- Enterprise Risk Management for areas under the Committee's purview.

In addition, the Committee received reports from the Vice President of Government Affairs & Policy, Vice President of Global Supply Chain, Vice President of Worldwide Environment, Health & Safety and the Chief Medical Officer. The Committee maintains a framework for its annual meeting agendas to help ensure that it carries out during the course of each calendar year the Committee's responsibilities under its Charter. During Calendar Year 2017, the Committee satisfied those Charter responsibilities and also reported to the full Board on its activities after each Committee meeting.

*This report of Committee Activities for Calendar Year 2017 is required pursuant to a Stipulation and Agreement of Settlement dated July 11, 2012.