

## ATTACHMENT C

### CORPORATE COMPLIANCE PROGRAM

In order to address deficiencies in its internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anticorruption laws, Johnson & Johnson and its subsidiaries and operating companies (collectively, “J&J”) agree to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, J&J agrees to adopt new or to modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that J&J makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anticorruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anticorruption laws. At a minimum, this should include, but not be limited to, the following elements:

1. A clearly articulated corporate policy against violations of the FCPA, including its anti-bribery, books and records, and internal controls provisions, and other applicable counterparts (collectively, the “anticorruption laws”).
2. Promulgation of compliance standards and procedures designed to reduce the prospect of violations of the anticorruption laws and J&J’s compliance code. These standards and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of J&J in a foreign jurisdiction, including but not limited to, agents, consultants, representatives, distributors, teaming partners, and joint venture partners (collectively, “agents and business partners”);
3. The assignment of responsibility to one or more senior corporate executives of J&J for the implementation and oversight of compliance with policies, standards, and procedures regarding the anticorruption laws. Such corporate official(s) shall have the authority to report matters directly to J&J’s Board of Directors or any appropriate committee of the Board of Directors;
4. Mechanisms designed to ensure that the policies, standards, and procedures of J&J regarding the anticorruption laws are effectively communicated to all directors, officers, employees, and, where appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors, officers, and employees, and, where necessary and appropriate, agents and business partners; and (b) annual certifications by all such directors, officers, and employees, and, where necessary and appropriate, agents, and business partners, certifying compliance with the training requirements;

5. An effective system for reporting suspected criminal conduct and/or violations of the compliance policies, standards, and procedures regarding the anticorruption laws for directors, officers, employees, and, where necessary and appropriate, agents and business partners;

6. Appropriate disciplinary procedures to address, among other things, violations of the anticorruption laws and J&J's compliance code by J&J's directors, officers, and employees;

7. Appropriate due diligence requirements pertaining to the retention and oversight of agents and business partners;

8. Standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anticorruption laws, which may, depending upon the circumstances, include: (a) anticorruption representations and undertakings relating to compliance with the anticorruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of anticorruption laws, and regulations or representations and undertakings related to such matters; and

9. Periodic testing of the compliance code, standards, and procedures designed to evaluate their effectiveness in detecting and reducing violations of anticorruption laws and J&J's compliance code.

## ATTACHMENT D

### ENHANCED COMPLIANCE OBLIGATIONS

In addition to and building upon the commitments enumerated in Attachment C, Johnson & Johnson and its subsidiaries and operating companies (collectively, “J&J”) agree that they have or will undertake the following, at a minimum, for the duration of this Agreement:

#### *General*

1. J&J will:
  - a. Appoint a senior corporate executive with significant experience with compliance with the FCPA, including its anti-bribery, books and records, and internal controls provisions, as well as other applicable anticorruption laws and regulations (hereinafter “anticorruption laws and regulations”) to serve as Chief Compliance Officer. The Chief Compliance Officer will have reporting obligations directly to the Audit Committee of the Board of Directors.
  - b. Appoint heads of compliance within each business sector and corporate function. These compliance heads will have reporting obligations to the Chief Compliance Officer and the Audit Committee.
  - c. Maintain a global compliance leadership team, including regional compliance leaders and business segment compliance leaders, with responsibility for overseeing its company-wide compliance program. That leadership team will have reporting obligations directly to the Chief Compliance Officer.
  
2. J&J shall institute gifts, hospitality, and travel policies and procedures in each jurisdiction that are appropriately designed to prevent violations of the anticorruption laws and regulations. At a minimum, these policies shall contain the following restrictions regarding government officials, including but not limited to public health care providers, administrators, and regulators:
  - a. Gifts must be modest in value, appropriate under the circumstances, and given in accordance with anticorruption laws and regulations, including those of the government official’s home country;
  - b. Hospitality shall be limited to reasonably priced meals, accommodations, and incidental expenses that are part of product education and training programs, professional training, and conferences or business meetings;

- c. Travel shall be limited to product education and training programs, professional training, and conferences or business meetings; and
- d. Gifts, hospitality, and travel shall not include expenses for anyone other than the official.

#### *Complaints, Reports, and Compliance Issues*

3. J&J shall maintain its mechanisms for making and handling reports and complaints related to potential violations of anticorruption laws and regulations, including referral for review and response to a standing committee that includes internal audit, legal, and compliance personnel, and will ensure that reasonable access is provided to an anonymous, toll-free hotline as well as to an anonymous electronic complaint form, where anonymous reporting is legally permissible.

4. J&J will ensure that its Sensitive Issue Triage Committee reviews and responds to FCPA and corruption issues promptly and consistently; this Triage Committee will include members from J&J's internal audit, legal, and compliance functions.

#### *Risk Assessments and Audits*

5. J&J will conduct risk assessments of markets where J&J has government customers and/or other anticorruption compliance risks on a staggered, periodic basis. Such risk assessments shall occur at reasonable intervals and include a review of trends in interactions with government officials, including health care providers, to identify new risk areas. On the basis of those assessments, as needed, J&J will modify compliance implementation to minimize risks observed through the risk assessment process.

6. J&J will conduct periodic audits specific to the detection of violations of anticorruption laws and regulations ("FCPA Audits"). Specifically, J&J will identify no less than five operating companies<sup>2</sup> that are high risk for corruption because of their sector and location and will conduct FCPA Audits of those operating companies at least once every three years. High risk operating companies shall be identified based on J&J's risk assessment process in consultation with the Chief Compliance Officer, sector compliance leaders, corporate internal audit, and the Law Department, taking into account multiple risk factors including, but not limited to: a high degree of interaction with government officials; the existence of internal reports of potential corruption risk; a high corruption risk based on certain corruption indexes;

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<sup>2</sup> For purposes of this agreement, "operating company" shall mean a pharmaceutical, medical device or consumer company located in a single country that may include multiple J&J franchises.

and financial audit results. The list of high risk operating companies shall be reviewed annually and updated as necessary. FCPA Audits of other operating companies that pose corruption risk shall occur no less than once every five years.<sup>3</sup> Each FCPA Audit shall include:

- a. On-site visits by an audit team comprised of qualified auditors who have received FCPA and anticorruption training;
- b. Where appropriate, participation in the on-site visits by personnel from the compliance and legal functions;
- c. Review of a statistically representative sample appropriately adjusted for the risks of the market, of contracts with and payments to individual health care providers;
- d. Creation of action plans resulting from issues identified during audits; these action plans will be shared with appropriate senior management, including the Chief Compliance Officer, and will contain mandatory undertakings designed to enhance anticorruption compliance, repair process weaknesses, and deter violations; and
- e. Where appropriate, feasible, and permissible under local law, review of the books and records of distributors which, in the view of the audit team, may present corruption risk.

#### *Acquisitions*

7. J&J will ensure that new business entities are only acquired after thorough FCPA and anticorruption due diligence by legal, accounting, and compliance personnel. Where such anticorruption due diligence is not practicable prior to acquisition of a new business for reasons beyond J&J's control, or due to any applicable law, rule, or regulation, J&J will conduct FCPA and anticorruption due diligence subsequent to the acquisition and report to the Department any corrupt payments, falsified books and records, or inadequate internal controls as required by Paragraph 11 of the Deferred Prosecution Agreement.

8. J&J will ensure that J&J's policies and procedures regarding the anticorruption laws and regulations apply as quickly as is practicable, but in any event no less than one year post-closing, to newly-acquired businesses, and will promptly:

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<sup>3</sup> For those operating companies that are determined not to pose corruption risk, J&J will conduct periodic FCPA Audits, or will incorporate FCPA components into financial audits.

- a. Train directors, officers, employees, agents, consultants, representatives, distributors, joint venture partners, and relevant employees thereof, who present corruption risk to J&J, on the anticorruption laws and regulations and J&J's related policies and procedures; and
- b. Conduct an FCPA-specific audit of all newly-acquired businesses within 18 months of acquisition.

*Relationships with Third Parties*

9. J&J will conduct due diligence reviews of sales intermediaries, including agents, consultants, representatives, distributors, and joint venture partners. At a minimum, such due diligence shall include:

- a. A review of the qualifications and business reputation of the sales intermediaries;
- b. A rationale for the use of the sales intermediary; and
- c. A review of FCPA risk areas.

10. Such due diligence will be conducted by local businesses and reviewed by local healthcare compliance officers. New intermediaries that have not worked for the company prior to the date of this agreement, or where due diligence raises any red flags, shall be reviewed by a regional compliance officer with specific knowledge of and responsibility for anticorruption due diligence of sales intermediaries. Due diligence will be conducted prior to retention of any new agent, consultant, representative, distributor, or joint venture partner and for all such intermediaries will be updated no less than once every three years.

11. Where necessary and appropriate and where permitted by applicable law, J&J shall include standard provisions designed to prevent violations of the FCPA and other applicable anticorruption laws and regulations in agreements, contracts, grants, and renewals thereof with agents, distributors, and business partners, including:

- a. Anticorruption representations and undertakings relating to compliance with the anticorruption laws and regulations;
- b. Rights to conduct audits of the books and records of the agent, distributor, or business partner that are related to their business with J&J; and
- c. Rights to terminate the agent, distributor, or business partner as a result of any breach of anticorruption laws and regulations or representations and undertakings related to such anticorruption laws and regulations.

## *Training*

12. J&J shall provide:
  - a. Annual training on anticorruption laws and regulations to directors, officers, executives, and employees who could present corruption risk to J&J.
  - b. Enhanced and in-depth FCPA training for all internal audit, financial, and legal personnel involved in FCPA audits, due diligence reviews, and acquisition of new businesses.
  - c. Training as necessary based on risk profiles to relevant third parties acting on the company's behalf that may interact with government officials at least once every three years.

13. J&J shall implement a system of annual certifications from senior managers in each of J&J's corporate-level functions, divisions, and business units in each foreign country confirming that their local standard operating procedures adequately implement J&J's anticorruption policies and procedures, including training requirements, and that they are not aware of any FCPA or other corruption issues that have not already been reported to corporate compliance.