VOLUNTARY COMPLIANCE UNDERTAKING OF BAXTER CORPORATION TO THE PATENTED MEDICINE PRICES REVIEW BOARD

1 Background

- 1.1 This Voluntary Compliance Undertaking (VCU) is submitted pursuant to Schedule 13, paragraph 1.3.1 of the Patented Medicine Prices Review Board (PMPRB) Guidelines.
- 1.2 Suprane is a patented medicine being sold in Canada by Baxter Corporation (Baxter). It is indicated as an inhalation agent for maintenance of general anaesthesia. On December 3, 1996, Health Canada issued a Notice of Compliance to Zeneca Pharma Inc.(now AstraZeneca Inc.) for Suprane. Baxter began selling Suprane on December 3, 1999.
- 1.3 The last Canadian Patent No. 2,100,664 pertaining to Suprane was issued to Baxter International Inc. (United States) on March 18, 2003 and will expire January 24, 2012. Baxter is the patentee for purposes of the PMPRB. The information in this paragraph is acknowledged by the PMPRB to be subject to completion by Baxter of an internal audit concerning the existence of any further "patent pertaining".
- 1.4 In 2008, the National Average Transaction Price (N-ATP) of Suprane exceeded the Guidelines by an amount which did not trigger the investigation criteria. In 2010, the N-ATP of Suprane was below its National Non-Excessive Average Price (N-NEAP), but there were cumulative excess revenues of \$43,659.43 remaining as of December 31, 2010.

2 Terms of the Voluntary Compliance Undertaking:

- 2.1 This VCU constitutes no admission by Baxter that the price of Suprane is or was excessive for purposes of the Patent Act.
- 2.2 In order to comply with the Guidelines, Baxter undertakes as follows:

2.2.1 To offset excess revenues received in the January to December 2008 and January to December 2009 reporting periods, by making a payment to Her Majesty the Queen in Right of Canada, within 30 days of acceptance of this VCU, in the amount of \$43,659.43.

2.2.2 To ensure that the price of Suprane remains within the Guidelines in all future periods in which Suprane is under the PMPRB's jurisdiction.