

Complaint

IN THE MATTER OF

PFIZER INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-4075; File No. 0210192*
Complaint, April 11, 2003--Decision, May 27, 2003

This consent order addresses the acquisition by Respondent Pfizer Inc. of Respondent Pharmacia Corporation. The order, among other things, would require the respondents to divest (1) Pfizer's worldwide rights and assets relating to its overactive bladder drug, darifenacin, to Novartis AG; (2) Pfizer's worldwide rights and assets relating to its combination hormone replacement therapy, femhrt, to Galen Holdings plc; (3) Pharmacia's rights and assets in the field of sexual dysfunction relating to its D2 dopamine receptor agonist, PNU-142,774, to Neurocrine Biosciences, Inc.; (4) Pfizer's U.S. rights and assets relating to its lactating cow and dry cow mastitis products to Schering-Plough Corporation; (5) Pharmacia's worldwide rights and assets relating to Cortaid, its over-the-counter hydrocortisone-based cream, to Johnson & Johnson; (6) Pfizer's U.S. and Puerto Rican rights and assets relating to its over-the-counter motion sickness product, Bonine, to Insight Pharmaceuticals Corporation; and (7) Pfizer's worldwide rights and assets relating to its Halls over-the-counter cough drop business to Cadbury Schweppes plc. The order also requires the respondents to return to Natestch Pharmaceutical Company, Inc. all rights to make, use, and sell Natestch's intranasal apomorphine product for the treatment of erectile dysfunction. In addition, the order requires the respondents to renegotiate a 1999 license and supply agreement between Pharmacia and Novartis for deramaxx – Novartis's canine arthritis drug – to enable Novartis to operate as an independent competitor, rather than a partner, of the merged entity.

Participants

For the Commission: *Elizabeth A. Jex, Christina R. Perez, Yolanda R. Gruendel, Michael R. Barnett, Jeffrey H. Perry, Kari A. Wallace, Stephanie A. Parks, David von Nirschl, Ramon A. Gras, Michele M. Cerullo, Sylvia M. Brooks, Sara S. Brown, Karina B. Lubell, Emily R. Pitlick, Michael Christini, Kristen M. Gorzelany, Ann Malester, Elizabeth A. Piotrowski, Ron Levy, Charissa P. Wellford, and Mary T. Coleman.*

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For the Respondents: *Michael N. Sohn and William J. Baer,
Arnold & Porter, Scott A. Stempel, Morgan Lewis & Bockius LLP.*

COMPLAINT

Pursuant to the Federal Trade Commission Act and the Clayton Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Pfizer Inc. (“Pfizer”), a corporation subject to the jurisdiction of the Commission, has agreed to merge with Respondent Pharmacia Corporation (“Pharmacia”), a corporation subject to the jurisdiction of the Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. DEFINITIONS

1. “Asset Purchase Agreement” means the Agreement and Plan of Merger by and among Pfizer, Pilsner Acquisition Sub Corp., and Pharmacia, dated July 13, 2002.
2. “Canine arthritis” means a painful, inflammatory condition of dogs.
3. “Combination HRT” means any product indicated for the treatment of menopausal symptoms that contains fixed dosages of both estrogen and progestin.
4. “Commission” means Federal Trade Commission.
5. “Dry Cow Mastitis” means an infection of the udder affecting dairy cows during periods when those cows are not producing milk.

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6. “Erectile Dysfunction” or “ED” means a condition which is diagnosed by the consistent inability to achieve and maintain a penile erection adequate to sustain sexual intercourse.

7. “Extended Release OAB Products” means once-a-day and twice-a-day formulations of products to treat overactive bladder.

8. “FDA” means the United States Food and Drug Administration.

9. “HRT” means Hormone Replacement Therapy.

10. “Johnson & Johnson” means Johnson & Johnson, a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its office and principal place of business located at 1 Johnson & Johnson Plaza, New Brunswick, New Jersey 08933.

11. “Lactating Cow Mastitis” means an infection of the udder affecting dairy cows when those cows are producing milk.

12. “Novartis” means Novartis AG, a corporation organized, existing and doing business under and by virtue of the laws of the Swiss Confederation, with its registered office located at Lichtstrasse 35, 4056, Basel, Switzerland.

13. “Overactive Bladder” or “OAB” means a symptomatic condition that includes urinary frequency, urinary urgency, and urinary incontinence.

14. “Respondents” means Pfizer and Pharmacia individually and collectively.

15. “Wyeth” means Wyeth, a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 5 Giralda Farms, Madison, New Jersey 07940.

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II. RESPONDENTS

16. Respondent Pfizer is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 235 East 42nd Street, New York, New York 10017. Pfizer, among other things, is engaged in the research, development, manufacture and sale of human pharmaceutical products, animal pharmaceutical products, and over-the-counter products.

17. Respondent Pharmacia is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 100 Route 206 North, Peapack, New Jersey 07977. Pharmacia, among other things, is engaged in the research, development, manufacture, and sale of human pharmaceutical products, animal pharmaceutical products, and over-the-counter products.

18. Respondents are, and at all times relevant herein have been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and are corporations whose business is in or affects commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

III. THE PROPOSED ACQUISITION

19. On July 13, 2002, Pfizer and Pharmacia entered into an Asset Purchase Agreement whereby Pfizer agreed to acquire, through its wholly-owned subsidiary Pilsner Acquisition Sub Corp., 100 percent of the issued and outstanding shares of Pharmacia (“Acquisition”). Pfizer intends to pay consideration such that each issued and outstanding share of Pharmacia common stock will be converted into the right to receive 1.4 shares of Pfizer common stock. The parties estimate the aggregate value of the transaction to be approximately \$60 billion. After the

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completion of the transaction, Pfizer will be the surviving corporate entity.

IV. THE RELEVANT MARKETS

20. For the purposes of this Complaint, the relevant lines of commerce in which to analyze the effects of the Acquisition are:

- a. the research and development, and the manufacture and sale, of extended release prescription drugs for the treatment of OAB;
- b. the research, development, manufacture, and sale of prescription combination HRT;
- c. the research and development, and the manufacture and sale, of prescription drugs for the treatment of ED;
- d. the research, development, manufacture, and sale of prescription drugs for the treatment of canine arthritis;
- e. the research, development, manufacture, and sale of prescription drugs for the treatment of dry cow mastitis;
- f. the research, development, manufacture, and sale of prescription drugs for the treatment of lactating cow mastitis;
- g. the manufacture and sale of over-the-counter hydrocortisone creams and ointments;
- h. the manufacture and sale of over-the-counter motion sickness medication; and
- i. the manufacture and sale of over-the counter cough drops.

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21. For the purposes of this Complaint, the United States is the relevant geographic area in which to analyze the effects of the Acquisition in the relevant lines of commerce.

V. THE STRUCTURE OF THE MARKETS

22. The markets for the research and development, and for the manufacture and sale, of extended release prescription drugs for OAB are highly concentrated. Currently, Pharmacia and Johnson & Johnson are the only companies that market extended release OAB products in the United States. Pfizer is currently seeking FDA approval for its own extended release OAB product, darifenacin. Pfizer is one of only two companies that are well-positioned to enter this market and compete successfully within the next two years.

23. The market for the research, development, manufacture, and sale of prescription combination HRT products is highly concentrated, with a pre-acquisition Herfindahl-Hirschman Index (“HHI”) of 5906 points. Pfizer and Pharmacia are two of the three leading suppliers of combination HRT products in the United States, with their products femhrt and Activella, respectively. The Acquisition would leave only two significant players in this market, leaving Pfizer and Wyeth with almost 94% of total prescriptions. The post-acquisition HHI would be 6066 points, representing a 160 point increase in the HHI.

24. Pfizer dominates the markets for the research and development, and for the manufacture and sale, of prescription drugs for ED. With its well-known product, Viagra, Pfizer currently occupies a monopoly position in the ED market, with a share of over 95%. Pharmacia is the only significant potential competitor to Pfizer for many years with intranasal apomorphine and D2 dopamine receptor agonist (PNU-142,774) products, each in early clinical development.

25. Pfizer dominates the market for the research, development, manufacture, and sale of prescription drugs for the treatment of

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canine arthritis, with its Rimadyl product that has a 70% share. There are only two other companies that sell prescription drugs for the treatment of canine arthritis: Wyeth, with its EtoGesic product that has a 30% market share; and Novartis, with its Deramaxx product that was launched in February 2003. However, Novartis markets Deramaxx under a licensing agreement with Pharmacia, which currently manufactures Deramaxx and supplies it to Novartis. Thus, after the Acquisition, Pfizer would control both the leading product in this market, Rimadyl, and the manufacturing and supply of Deramaxx for its chief competitor. Furthermore, under the existing licensing agreement between Novartis and Pharmacia, Pfizer would have access to Novartis's competitively sensitive information concerning Deramaxx pricing, forecasts, and marketing strategy.

26. The market for dry cow mastitis drugs is highly concentrated with a pre-acquisition HHI of 4120 points. There are only three significant competitors in this market: (1) Pharmacia; (2) Pfizer; and (3) Wyeth. Pharmacia and Wyeth currently account for 90% of this market. Pfizer is an important third competitor with a full range of mastitis products, including Orbenin DC for the treatment of dry cow mastitis. This acquisition would increase Pfizer's market share to 55%, and it would increase concentration by 672 points, resulting in a post-acquisition HHI of 4792 points. The fringe competitors that offer generic versions of older drugs for dry cow mastitis collectively account for less than 3% of the market.

27. The market for lactating cow mastitis drugs is also highly concentrated with a pre-acquisition HHI of 3800 points. As in the dry cow mastitis market, there are only three significant competitors in the lactating cow mastitis market: (1) Pharmacia; (2) Pfizer; and (3) Wyeth. Pharmacia and Wyeth currently account for 85% of this market. Pfizer is the only other significant competitor with a full range of mastitis products, including Dariclox and Amoximast for the treatment of lactating cow mastitis. This acquisition would increase Pfizer's market share to 50%, and it would increase concentration by 912 points,

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resulting in a post-acquisition HHI of 4712 points. The fringe competitors that offer generic versions of older drugs for lactating cow mastitis collectively account for approximately 3% of the market.

28. Pfizer and Pharmacia are the two leading U.S. suppliers of branded over-the-counter hydrocortisone creams and ointments. Pfizer sells Cortizone and Pharmacia sells Cortaid. After the Acquisition, the combined company would account for 55% of the annual sales of over-the-counter hydrocortisone creams and ointments in the United States. The post-acquisition HHI would be 4,469 points, representing a 1,428 point increase in the HHI. Although over-the-counter hydrocortisone creams and ointments sold under private label brands also account for a significant share of the market, those products have limited influence on the pricing of the over-the-counter hydrocortisone creams and ointments sold by Pfizer and Pharmacia.

29. The market for the manufacture and sale of over-the-counter motion sickness medication is highly concentrated. Pfizer and Pharmacia are the two leading suppliers of over-the-counter motion sickness medication in the United States, with a combined market share of approximately 77%. Pfizer sells Bonine and Pharmacia sells Dramamine. The post-acquisition HHI would be 6,089 points, representing a 2,041 point increase in the HHI.

30. The market for the manufacture and sale of over-the-counter cough drops is highly concentrated as measured by the HHI. Pfizer and Pharmacia are the two leading suppliers of branded over-the-counter cough drops, and the only two such firms with more than 5% of the market. Pfizer sells Halls brand cough drops and Pharmacia sells Ludens. Pfizer and Pharmacia combined would account for approximately 64% of the market. The post-acquisition HHI would be 4,775 points, an increase of 1,130 points above the pre-acquisition HHI.

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VI. ENTRY CONDITIONS

31. Entry into any of the relevant lines of commerce described in Paragraphs 20(a) through (f) would not be timely, likely, or sufficient in its magnitude, character, and scope to deter or counteract the anticompetitive effects of the Acquisition. Developing and obtaining FDA approval for even the simplest product takes at least two years and significantly longer for more complex products. Additionally, patents and other intellectual property create significant barriers to entry into these markets.

32. Entry into any of the relevant lines of commerce described in Paragraphs 20(g) through (i) would be unlikely and not timely to deter or counteract the effects of the Acquisition. Entry into these markets would require the investment of extremely high sunk costs, which would be difficult to justify given the limited sales opportunities in the affected markets. Even if a new entrant were willing to take on such investments, it would also face the difficult task of convincing retailers to take limited and valuable shelf space away from established brands. As a result, new entry into any of these markets sufficient to achieve a significant market impact within two years is unlikely.

VII. EFFECTS OF THE ACQUISITION

33. The effects of the Acquisition, if consummated, may be to lessen competition and tend to create a monopoly in the relevant markets in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, in the following ways, among others:

- a. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia in the market for the research and development of extended release prescription drugs for the treatment of OAB, thereby reducing innovation in this market; and by eliminating potential competition between Pfizer and Pharmacia in the market for the manufacture and sale of extended

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release prescription drugs for the treatment of OAB, thereby: (a) increasing the likelihood that the combined entity would delay or forego the launch of Pfizer's darifenacin product, and (b) increasing the likelihood that the combined entity would delay or eliminate the additional price competition that would have resulted from Pfizer's entry into the market for extended release OAB products;

- b. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia, and lessening competition, in the market for the research, development, manufacture, and sale of prescription combination HRT products, thereby: (a) increasing the likelihood of coordinated interaction, and (b) increasing the likelihood that customers for prescription combination HRT products would be forced to pay higher prices;
- c. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia in the market for the research and development of prescription drugs for the treatment of ED, thereby reducing innovation in this market; and by eliminating potential competition between Pfizer and Pharmacia in the market for the manufacture and sale of prescription drugs for the treatment of ED, thereby: (a) increasing the likelihood that the combined entity would delay or forego the launch of Pharmacia's intranasal apomorphine (IN APO) and D2 dopamine receptor agonist (PNU-142, 774) products, and (b) increasing the likelihood that the combined entity would delay or eliminate the additional price competition that would have resulted from Pharmacia's entry into the market for ED products;
- d. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia, and lessening competition, in the market for the research, development, manufacture, and sale of prescription drugs for the

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treatment of canine arthritis, thereby: (a) increasing the likelihood of a unilateral exercise of market power, (b) increasing the likelihood of coordinated interaction, (c) increasing the likelihood that customers for prescription drugs for the treatment of canine arthritis would be forced to pay higher prices, and (d) reducing innovation in the market;

- e. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia, and lessening competition, in the market for the research, development, manufacture, and sale of prescription drugs for the treatment of dry cow mastitis, thereby: (a) increasing the likelihood of coordinated interaction, and (b) increasing the likelihood that customers for prescription drugs for the treatment of dry cow mastitis would be forced to pay higher prices;
- f. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia, and lessening competition, in the market for the research, development, manufacture, and sale of prescription drugs for the treatment of lactating cow mastitis, thereby: (a) increasing the likelihood of coordinated interaction, and (b) increasing the likelihood that customers for prescription drugs for the treatment of lactating cow mastitis would be forced to pay higher prices;
- g. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia, and lessening competition, in the market for the manufacture and sale of over-the-counter hydrocortisone creams and ointments, thereby: (a) increasing the likelihood of a unilateral exercise of market power, and (b) increasing the likelihood that customers for over-the-counter hydrocortisone creams and ointments would be forced to pay higher prices;

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- h. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia, and lessening competition, in the market for the manufacture and sale of over-the-counter motion sickness medication, thereby: (a) increasing the likelihood of a unilateral exercise of market power, and (b) increasing the likelihood that customers for over-the-counter motion sickness medication would be forced to pay higher prices; and
- i. by eliminating actual, direct, and substantial competition between Pfizer and Pharmacia, and lessening competition, in the market for the manufacture and sale of over-the-counter cough drops, thereby: (a) increasing the likelihood of a unilateral exercise of market power, and (b) increasing the likelihood that customers for over-the-counter cough drops would be forced to pay higher prices.

VIII. VIOLATIONS CHARGED

34. The Acquisition Agreement described in Paragraph 19 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

35. The Acquisition described in Paragraph 19, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this eleventh day of April, 2003, issues its Complaint against said Respondents.

By the Commission.

Decision and Order

DECISION AND ORDER

The Federal Trade Commission (“Commission”) having initiated an investigation of the proposed merger of Respondent Pfizer Inc. (“Pfizer”) and Respondent Pharmacia Corporation (“Pharmacia”), hereinafter referred to as “Respondents,” and Respondents having been furnished thereafter with a copy of a draft of a Complaint that the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders (“Consent Agreement”), containing an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of a Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having thereupon issued its Complaint and an Order to Maintain Assets, and having accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby makes the following jurisdictional findings and issues the following Decision and Order (“Order”):

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1. Respondent Pfizer is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 235 East 42nd Street, New York, New York 10017.

2. Respondent Pharmacia Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 100 Route 206 North, Peapack, New Jersey 07977.

3. The Federal Trade Commission has jurisdiction over the subject matter of this proceeding and of Respondents, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

- A. “Pfizer” means Pfizer Inc., its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups and affiliates controlled by Pfizer Inc. (including, but not limited to, Warner-Lambert Company LLC), and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. “Pharmacia” means Pharmacia Corporation, its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups and affiliates controlled by Pharmacia Corporation (including, but not limited to, G.D. Searle LLC, and Pharmacia & Upjohn Company), and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

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- C. “Respondents” means Pfizer and Pharmacia, individually and collectively.
- D. “Merger” means the merger contemplated by the “Agreement and Plan of Merger” dated as of July 13, 2002, among Pfizer, Pilsner Acquisition Sub Corp. (“Pilsner”) and Pharmacia (“Merger Agreement”) pursuant to which Pilsner, a wholly-owned subsidiary of Pfizer formed for the purpose of the merger, will merge with and into Pharmacia. As a result, Pharmacia will survive the merger and become a wholly-owned subsidiary of Pfizer upon completion of the merger.
- E. “Commission” means the Federal Trade Commission.
- F. “Cadbury” means Cadbury Schweppes plc, a corporation organized, existing and doing business under and by virtue of the laws of England and Wales, with its offices and principal place of business located at 25 Berkeley Square, London W1J 6HB.
- G. “Galen” means Galen (Chemicals) Limited, a corporation organized, existing and doing business under and by virtue of the laws of the Republic of Ireland, with its offices and principal place of business located at Seagoe Industrial Estate, Craigavon, BT635UA, United Kingdom. The term “Galen” includes Galen Holding plc, a public limited company organized under the laws of Northern Ireland.
- H. “Insight” means Insight Pharmaceuticals Corporation, a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 90 Montgomery Street, Suite 712, San Francisco, California 94105.

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- I. “J&J” means Johnson & Johnson Consumer Companies Inc., a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey, with its offices and principal place of business located at 199 Grandview Road, Skillman, New Jersey 08558.
- J. “Nastech” means Nastech Pharmaceuticals Company, Inc., a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 3450 Monte Villa Parkway, Bothell, Washington 98021.
- K. “Neurocrine” means Neurocrine Biosciences Inc., a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 10555 Science Center Drive, San Diego, California 92121.
- L. “Novartis” means Novartis Pharma AG, a corporation organized, existing and doing business under and by virtue of the laws of the Confederation of Switzerland, with its offices and principal place of business located at Lichtstrasse 35, 4002 Basel, Switzerland, and Novartis Pharmaceuticals Corporation, a corporation organized, existing and doing business under and by virtue of the laws of Delaware, with its offices and principal place of business located at 59 Route 10, East Hanover, New Jersey 07936.
- M. “Novartis Animal Health” means Novartis Animal Health Inc., a corporation organized, existing and doing business under and by virtue of the laws of the Confederation of Switzerland, with its offices and principal place of business located at Schwarzwaldallee 215 CH-4088, Basel Switzerland. The term “Novartis Animal Health” includes Novartis Animal Health US Inc., a corporation organized, existing, and doing business by virtue of the laws of the

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State of Delaware, with its offices and principal place of business located at 32000 Northline Avenue, Suite 300, Greensboro, NC 27408.

- N. “Schering-Plough” means Schering-Plough Animal Health Corporation, a wholly-owned subsidiary of Schering-Plough Corporation and a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 1095 Morris Avenue, Union, New Jersey 07083.
- O. “Activella” means all Products that contain the active pharmaceutical ingredient estradiol and norethindrone acetate marketed and sold under the Product Trademark “Activella” by Respondent Pharmacia.
- P. “Agency(ies)” means any governmental regulatory authority or authorities in the world responsible for granting approval(s), clearance(s), qualification(s), license(s) or permit(s) for any aspect of the research, Development, manufacture, marketing, distribution or sale of a Product. The term “Agency” includes, but is not limited to, the United States Food and Drug Administration (“FDA”).
- Q. “Amoxi-Mast” means all Products that contain the active pharmaceutical ingredient generically known as amoxicillin trihydrate marketed and sold by Respondent Pfizer in the United States under the Product Trademark “Amoxi-Mast” prior to the divestiture of the Amoxi-Mast Assets. The term “Amoxi-Mast” also includes all intramammary Products marketed or in Development by Respondent Pfizer on or before the Effective Date that are planned to be marketed in the United States for use in the treatment of Lactating Cow Mastitis.
- R. “Amoxi-Mast Assets” means all of Respondent Pfizer’s rights, title and interest in and to all assets related to Respondent Pfizer’s United States business related to the

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Product “Amoxi-Mast,” to the extent legally transferable, including the research, Development, manufacture, distribution, marketing or sale of Amoxi-Mast, including, without limitation, the following:

1. all Product Intellectual Property;
2. license(s) to all Product Licensed Intellectual Property to use, make, distribute, offer for sale, promote, advertise, sell, import or export, or have used, made, distributed, offered for sale, promoted, advertised, sold, imported or exported any product anywhere in the United States; *provided, however*, such license(s) shall be for the territory of the United States, perpetual, fully paid-up and royalty-free; *provided further, however*, such license(s) shall be on an exclusive basis (even as to Respondents) in accordance with the Divestiture Agreement(s);
3. the Product and Product Registrations;
4. the Product Trade Dress;
5. the existing lists of all current customers for the Product and the pricing of the Product for such customers;
6. at the Commission-approved Acquirer’s option, each of the Product Assumed Contracts;
7. all Product Marketing Materials;
8. all Website(s) related to the Product;
9. a list of all of the NDC Numbers related to the Product;
10. rights of reference to the Drug Master Files including, but not limited to, the pharmacology and toxicology data contained in all NADAs and ANADAs;

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11. rights of reference (if such rights exist) to information similar to the Drug Master Files submitted to any Agency other than the FDA;
12. Product Scientific and Regulatory Material;
13. all unfilled customer orders for finished goods as of the Closing Date (a list of such orders is to be provided to the Commission-approved Acquirer within two Business Days after the Closing Date);
14. Product Manufacturing Technology, and Product manufacturing and manufacturing processes;
15. at the Commission-approved Acquirer's option, all inventories in existence as of the Closing Date, including, but not limited to, raw materials, goods in process, finished goods, and Product specific packaging and labels; and
16. all Respondents' books, records and files related to the foregoing, including, but not limited to, the following specified documents: the Product Registrations; rights of reference to Drug Master Files, including, but not limited to, the pharmacology and toxicology data contained in all NADAs and ANADAs; all data submitted to and all correspondence with the FDA and other Agencies; all validation documents and data; all market studies; all sales histories, including, without limitation, clinical data, and sales force call activity, for Amoxi-Mast from January 1, 2000, through the Closing Date, and quality control histories pertaining to Amoxi-Mast owned by, or in the possession or control of, Respondents, or to which Respondents have a right of access, in each case such as is in existence as of the Closing Date;

provided, however, that in cases in which documents or other materials included in the Amoxi-Mast Assets contain

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information that (i) relates both to Amoxi-Mast and to other Products or businesses of Respondent Pfizer, and (ii) cannot be segregated in a manner that preserves the usefulness of the information as it relates to Amoxi-Mast, Respondent Pfizer shall be required only to provide copies of the documents and materials containing this information. In instances where such copies are provided to the Commission-approved Acquirer, the Commission-approved Acquirer shall have access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this proviso is to ensure that Respondents provide the Commission-approved Acquirer with the above-described information without requiring Respondents completely to divest themselves of information that, in content, also relates to Products and businesses other than Amoxi-Mast;

provided further, however, the term “Amoxi-Mast Assets” does not include any rights, titles and interests in or to owned or leased real property or buildings.

- S. “Alpharma” means Alpharma, Inc., a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at One Executive Drive, Fort Lee, New Jersey 07024. Alpharma manufactures certain stock keeping unit(s) of Cortaid.
- T. “Apomorphine” means the compound designated by the International Union of Pure and Applied Chemistry name (R)-; 5,6,6a,7-Tetrahydro-6-methyl-4H-dibenzo[de,g]quinoline-10,11-diol; Revanil 19875-60-6Apomorphine], together with any salts, esters, metabolites, derivatives, isomers, hydrates, solvates, ethers, quaternary amines, polymorphs and prodrugs thereof.
- U. “Bonine” means all over-the-counter Products that contain the active pharmaceutical ingredient generically known as meclizine hydrochloride marketed and sold by Respondent

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Pfizer in the United States under the Product Trademark “Bonine” prior to the divestiture of the Bonine Assets. “Bonine” also includes all over-the-counter Products marketed or in Development by Respondent Pfizer on or before the Effective Date that are planned to be marketed for use in treating the symptoms of motion sickness in the United States.

- V. “Bonine Asset Purchase Agreement” means the “Purchase and Sale Agreement between Pfizer Inc. and Insight Pharmaceuticals Corporation” dated March 7, 2003, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the Bonine Assets to be divested, that have been approved by the Commission to accomplish the requirements of this Order. The Bonine Asset Purchase Agreement is attached to this Order as non-public Appendix IX.
- W. “Bonine Assets” means all of Respondent Pfizer’s rights, title and interest in and to all assets related to Respondent Pfizer’s United States business related to the Product “Bonine,” to the extent legally transferable, including the research, Development, manufacture, distribution, marketing or sale of Bonine, including, without limitation, the following:
1. all Product Intellectual Property;
 2. license(s) to all Product Licensed Intellectual Property to use, make, distribute, offer for sale, promote, advertise, sell, import or export, or have used, made, distributed, offered for sale, promoted, advertised, sold, imported or exported any product anywhere in the United States; *provided, however,* such license(s) shall be for the territory of the United States, perpetual, fully paid-up and royalty-free; *provided further, however,* such license(s) shall be on an exclusive basis (even as to Respondents) in accordance with the Divestiture Agreement(s);

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3. the Product and Product Registrations;
4. the Product Trade Dress;
5. the existing lists of all current customers for the Product and the pricing of the Product for such customers;
6. at the Commission-approved Acquirer's option, each of the Product Assumed Contracts;
7. all Product Marketing Materials;
8. all Website(s) related to the Product;
9. a list of all of the NDC Numbers related to the Product;
10. rights of reference (if such rights exist) to the Drug Master Files including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs;
11. rights of reference (if such rights exist) to information similar to the Drug Master Files submitted to any Agency other than the FDA;
12. Product Scientific and Regulatory Material;
13. all unfilled customer orders for finished goods as of the Closing Date (a list of such orders is to be provided to the Commission-approved Acquirer within two Business Days after the Closing Date);
14. Product Manufacturing Technology, and Product manufacturing and manufacturing processes;
15. at the Commission-approved Acquirer's option, all inventories in existence as of the Closing Date, including, but not limited to, raw materials, goods in process,

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finished goods, and Product specific packaging and labels; and

16. all Respondents' books, records and files related to the foregoing, including, but not limited to, the following specified documents: the Product Registrations; rights of reference to Drug Master Files, including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs; all data submitted to and all correspondence with the FDA and other Agencies; all validation documents and data; all market studies; all sales histories, including, without limitation, clinical data, and sales force call activity, for Bonine from January 1, 2000, through the Closing Date, and quality control histories pertaining to Bonine owned by, or in the possession or control of, Respondents, or to which Respondents have a right of access, in each case such as is in existence as of the Closing Date;

provided, however, that in cases in which documents or other materials included in the Bonine Assets contain information that (i) relates both to Bonine and to other Products or businesses of Respondent Pfizer, and (ii) cannot be segregated in a manner that preserves the usefulness of the information as it relates to Bonine, the Respondent Pfizer shall be required only to provide copies of the documents and materials containing this information. In instances where such copies are provided to the Commission-approved Acquirer, the Commission-approved Acquirer shall have access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this proviso is to ensure that Respondents provide the Commission-approved Acquirer with the above-described information without requiring Respondents completely to divest themselves of information that, in content, also relates to Products and businesses other than Bonine;

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provided further, however, the term “Bonine Assets” does not include any rights, titles and interests in or to owned or leased real property or buildings.

- X. “Business Day” means any day excluding Saturday, Sunday and any United States Federal holiday.
- Y. “Closing Date” means the date on which Respondents (or a Divestiture Trustee) and a Commission-approved Acquirer close on a transaction to divest, license, or otherwise convey relevant assets pursuant to this Order.
- Z. “Commission-approved Acquirer” means: 1) an entity that is specifically identified in this Order to acquire particular assets that the Respondents are required to assign, grant, license, divest, transfer, deliver or otherwise convey pursuant to this Order and that has been approved by the Commission to accomplish the requirements of this Order in connection with the Commission’s determination to make this Order final; or 2) an entity approved by the Commission to acquire particular assets that the Respondents are required to assign, grant, license, divest, transfer, deliver or otherwise convey pursuant to this Order.
- AA. “Confidential Business Information” means all information owned by, or in the possession or control of, Respondents that is not in the public domain related to the research, Development, manufacture, marketing, commercialization, distribution, importation, exportation, cost, pricing, supply, sales, sales support, or use of a Product.
- BB. “Contract Manufacture” means the manufacture of a Product to be supplied by Respondents or a Designee specifically identified in this Order for sale to the Commission-approved Acquirer.
- CC. “Cortaid” means all over-the-counter Products that contain the active pharmaceutical ingredient generically known as

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hydrocortisone marketed and sold for topical use by Respondent Pharmacia in the United States under the Product Trademark “Cortaid” prior to the divestiture of the Cortaid Assets. The term “Cortaid” also includes all over-the-counter Products marketed or in Development by Respondent Pharmacia on or before the Effective Date that have the same active pharmaceutical ingredient and are planned to be marketed in the United States for a similar topical usage.

DD. “Cortaid Asset Purchase Agreement” means the “Asset Sale and Purchase Agreement by and between Pharmacia as Seller, and Johnson Consumer Products Company, division of J&J as Purchaser” dated February 28, 2003, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the Cortaid Assets to be divested, that have been approved by the Commission to accomplish the requirements of this Order. The Cortaid Asset Purchase Agreement is attached to this Order as non-public Appendix X.

EE. “Cortaid Assets” means all of Respondent Pharmacia’s rights, title and interest in and to all assets related to Respondent Pharmacia’s United States business related to the Product “Cortaid,” to the extent legally transferable, including the research, Development, manufacture, distribution, marketing or sale of Cortaid, including, without limitation, the following:

1. all Product Intellectual Property;
2. license(s) to all Product Licensed Intellectual Property to use, make, distribute, offer for sale, promote, advertise, sell, import or export, or have used, made, distributed, offered for sale, promoted, advertised, sold, imported or exported any product anywhere in the United States; *provided, however*, such license(s) shall be for the territory of the United States, perpetual, fully paid-up and

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royalty-free; *provided further, however*, such license(s) shall be on an exclusive basis (even as to Respondents) in accordance with the Divestiture Agreement(s);

3. the Product and Product Registrations;
4. the Product Trade Dress;
5. the existing lists of all current customers for the Product and the pricing of the Product for such customers;
6. at the Commission-approved Acquirer's option, each of the Product Assumed Contracts;
7. all Product Marketing Materials;
8. all Website(s) related to the Product;
9. a list of all of the NDC Numbers related to the Product;
10. rights of reference (if such rights exist) to the Drug Master Files including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs;
11. rights of reference (if such rights exist) to information similar to the Drug Master Files submitted to any Agency other than the FDA;
12. Product Scientific and Regulatory Material;
13. all unfilled customer orders for finished goods as of the Closing Date (a list of such orders is to be provided to the Commission-approved Acquirer within two Business Days after the Closing Date);
14. Product Manufacturing Technology, and Product manufacturing and manufacturing processes;

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15. at the Commission-approved Acquirer's option, all inventories in existence as of the Closing Date, including, but not limited to, raw materials, goods in process, finished goods, and Product specific packaging and labels; and
16. all Respondents' books, records and files related to the foregoing, including, but not limited to, the following specified documents: the Product Registrations; rights of reference to Drug Master Files, including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs; all data submitted to and all correspondence with the FDA and other Agencies; all validation documents and data; all market studies; all sales histories, including, without limitation, clinical data, and sales force call activity, for Cortaid from January 1, 2000, through the Closing Date, and quality control histories pertaining to Cortaid owned by, or in the possession or control of, Respondents, or to which Respondents have a right of access, in each case such as is in existence as of the Closing Date;

provided, however, that in cases in which documents or other materials included in the Cortaid Assets contain information that (i) relates both to Cortaid and to other Products or businesses of Respondent Pharmacia, and (ii) cannot be segregated in a manner that preserves the usefulness of the information as it relates to Cortaid, Respondent Pharmacia shall be required only to provide copies of the documents and materials containing this information. In instances where such copies are provided to the Commission-approved Acquirer, the Commission-approved Acquirer shall have access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this proviso is to ensure that Respondents provide the Commission-approved Acquirer with the above-described information without requiring Respondents completely to

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divest themselves of information that, in content, also relates to Products and businesses other than Cortaid;

provided further, however, the term “Cortaid Assets” does not include any rights, titles and interests in or to owned or leased real property or buildings.

- FF. “Cortizone” means all over-the-counter Products that contain the active pharmaceutical ingredient hydrocortisone marketed and sold for topical use under the Product Trademark “Cortizone” by Respondent Pfizer in the United States.
- GG. “Cow Mastitis Products” means the Products Amoxi-Mast, Dariclox and Orbenin DC, individually and collectively.
- HH. “Cow Mastitis Products Assets” means the Amoxi-Mast Assets, the Dariclox Assets and the Orbenin DC Assets, individually and collectively.
- II. “Cow Mastitis Products Asset Purchase Agreement” means the “Purchase and Sale Agreement between Pfizer Inc. and Schering-Plough Animal Health Corporation” dated March 14, 2003, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the Cow Mastitis Products Assets to be divested, that have been approved by the Commission to accomplish the requirements of this Order. The Cow Mastitis Products Asset Purchase Agreement is attached to this Order as non-public Appendix VII.
- JJ. “D2 Agonist 774” means the Product in Development by Respondent Pharmacia that contains the active pharmaceutical ingredient with the chemical name (5R)-5-(methylamino)-5,6dihydro-4H-imidazo[4,5,1-ij] quinoline-2(1H)-thione, together with any of its enantiomers, metabolites (excluding Sumanirole, *i.e.*, the Product in Development by Pharmacia that contains the active

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pharmaceutical ingredient with the chemical name (5R)-5,6-Dihydro-5-(methylamino)-4-4H-imidazo[4,5,1-ij]-quinolin-2(1H)-one (z)-2-butenedioate (1:I)), and any salts or polymorphs of any of the foregoing. “D2 Agonist 774” includes all Products marketed or in Development by Respondent Pharmacia on or before the Effective Date that use an agonist for the human dopamine 2 receptor and are planned to be marketed for use in the treatment of Human Sexual Dysfunction, but does not include IN Apomorphine.

KK. “D2 Agonist 774 Assets” means all of Respondent Pharmacia’s rights, title and interest in and to all assets related to Respondent Pharmacia’s worldwide business in the Field of Human Sexual Dysfunction related to the Product “D2 Agonist 774,” to the extent legally transferable, including the research, Development, manufacture, distribution, marketing or sale of D2 Agonist 774, including, without limitation, the following:

1. all Product Intellectual Property;
2. license(s) to all Product Licensed Intellectual Property to use, make, distribute, offer for sale, promote, advertise, sell, import or export, or have used, made, distributed, offered for sale, promoted, advertised, sold, imported or exported any product anywhere in the world; *provided, however*, such license(s) shall be worldwide, perpetual, fully paid-up and royalty-free; *provided further, however*, such license(s) shall be on an exclusive basis (even as to Respondents) in accordance with the Divestiture Agreement(s);
3. the Product and Product Registrations;
4. the Product Trade Dress;

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5. a list of all targeted customers for the Product and the planned or proposed pricing of the Product for such customers;
6. at the Commission-approved Acquirer's option, each of the Product Assumed Contracts;
7. all Product Marketing Materials;
8. all Website(s) related to the Product;
9. a list of all of the NDC Numbers related to the Product;
10. rights of reference to the Drug Master Files including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs;
11. rights of reference (if such rights exist) to information similar to the Drug Master Files submitted to any Agency other than the FDA;
12. Product Scientific and Regulatory Material;
13. all unfilled customer orders for finished goods as of the Closing Date (a list of such orders is to be provided to the Commission-approved Acquirer within two Business Days after the Closing Date);
14. Product Manufacturing Technology, and Product manufacturing and manufacturing processes;
15. at the Commission-approved Acquirer's option, all inventories in existence as of the Closing Date, including, but not limited to, raw materials, goods in process, finished goods, and Product specific packaging and labels;

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16. at the Commission-approved Acquirer's option (and, in the case of Neurocrine, to the extent exercised in the D2 Agonist 774 License Agreement), all manufacturing and other equipment located at the D2 Agonist 774 Manufacturing Facility that was used in, or suitable for use in, the research, Development or manufacture of D2 Agonist 774; and
17. all Respondents' books, records and files related to the foregoing, including, but not limited to, the following specified documents: the Product Registrations; rights of reference to Drug Master Files, including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs; all data submitted to and all correspondence with the FDA and other Agencies; all validation documents and data; all market studies; all sales histories, including, without limitation, clinical data, and sales force call activity, for D2 Agonist 774 from January 1, 2000, through the Closing Date, and quality control histories pertaining to D2 Agonist 774 owned by, or in the possession or control of, Respondents, or to which Respondents have a right of access, in each case such as is in existence as of the Closing Date;

provided, however, that in cases in which documents or other materials included in the D2 Agonist 774 Assets contain information that (i) relates both to D2 Agonist 774 and to other Products or businesses of Respondent Pharmacia, and (ii) cannot be segregated in a manner that preserves the usefulness of the information as it relates to D2 Agonist 774, Respondent Pharmacia shall be required only to provide copies of the documents and materials containing this information. In instances where such copies are provided to the Commission-approved Acquirer, the Commission-approved Acquirer shall have access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this proviso is to ensure that Respondents provide the Commission-approved Acquirer

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with the above-described information without requiring Respondents completely to divest themselves of information that, in content, also relates to Products and businesses other than D2 Agonist 774;

provided further, however, the term “D2 Agonist 774 Assets” does not include any rights, titles and interests in or to owned or leased real property or buildings.

- LL. “D2 Agonist 774 License Agreement” means “The Amended and Restated License Agreement by and between Pharmacia & Upjohn Company and Neurocrine Biosciences, Inc.” dated March 14, 2003, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the D2 Agonist 774 Assets to be divested, that have been approved by the Commission to accomplish the requirements of this Order. The D2 Agonist 774 License Agreement is attached to this Order as non-public Appendix V.
- MM. “D2 Agonist 774 Manufacturing Facility” means Respondent Pharmacia’s manufacturing and packaging facility located at Kalamazoo, Michigan used by Respondent Pharmacia to manufacture D2 Agonist 774.
- NN. “Dariclox” means all Products that contains the active pharmaceutical ingredient generically known as sterile and non-sterile cloxacillin sodium marketed and sold by Respondent Pfizer in the United States under the Product Trademark “Dariclox” prior to the divestiture of the Dariclox Assets. The term “Dariclox” also includes all cloxacillin sodium-based intramammary Products marketed or in Development by Respondent Pfizer on or before the Effective Date that are planned to be marketed in the United States for use in the treatment of Lactating Cow Mastitis.
- OO. “Dariclox Assets” means all of Respondent Pfizer’s rights, title and interest in and to all assets related to Respondent

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Pfizer's United States business related to the Product "Dariclox," to the extent legally transferable, including the research, Development, manufacture, distribution, marketing or sale of Dariclox, including, without limitation, the following:

1. all Product Intellectual Property;
2. license(s) to all Product Licensed Intellectual Property to use, make, distribute, offer for sale, promote, advertise, sell, import or export, or have used, made, distributed, offered for sale, promoted, advertised, sold, imported or exported any product anywhere in the United States; *provided, however*, such license(s) shall be for the territory of the United States, perpetual, fully paid-up and royalty-free; *provided further, however*, such license(s) shall be on an exclusive basis (even as to Respondents) in accordance with the Divestiture Agreement(s);
3. the Product and Product Registrations;
4. the Product Trade Dress;
5. the existing lists of all current customers for the Product and the pricing of the Product for such customers;
6. at the Commission-approved Acquirer's option, each of the Product Assumed Contracts;
7. all Product Marketing Materials;
8. all Website(s) related to the Product;
9. a list of all of the NDC Numbers related to the Product;
10. rights of reference to the Drug Master Files including, but not limited to, the pharmacology and toxicology data contained in all NADAs and ANADAs;

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11. rights of reference (if such rights exist) to information similar to the Drug Master Files submitted to any Agency other than the FDA;
12. Product Scientific and Regulatory Material;
13. all unfilled customer orders for finished goods as of the Closing Date (a list of such orders is to be provided to the Commission-approved Acquirer within two Business Days after the Closing Date);
14. Product Manufacturing Technology, and Product manufacturing and manufacturing processes;
15. at the Commission-approved Acquirer's option, all inventories in existence as of the Closing Date, including, but not limited to, raw materials, goods in process, finished goods, and Product specific packaging and labels; and
16. all Respondents' books, records and files related to the foregoing, including, but not limited to, the following specified documents: the Product Registrations; rights of reference to Drug Master Files, including, but not limited to, the pharmacology and toxicology data contained in all NADAs and ANADAs; all data submitted to and all correspondence with the FDA and other Agencies; all validation documents and data; all market studies; all sales histories, including, without limitation, clinical data, and sales force call activity, for Dariclox from January 1, 2000, through the Closing Date, and quality control histories pertaining to Dariclox owned by, or in the possession or control of, Respondents, or to which Respondents have a right of access, in each case such as is in existence as of the Closing Date.

provided, however, that in cases in which documents or other materials included in the Dariclox Assets contain information

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that (i) relates both to Dariclox and to other Products or businesses of Respondent Pfizer, and (ii) cannot be segregated in a manner that preserves the usefulness of the information as it relates to Dariclox, Respondent Pfizer shall be required only to provide copies of the documents and materials containing this information. In instances where such copies are provided to the Commission-approved Acquirer, the Commission-approved Acquirer shall have access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this proviso is to ensure that Respondents provide the Commission-approved Acquirer with the above-described information without requiring Respondents completely to divest themselves of information that, in content, also relates to Products and businesses other than Dariclox;

provided further, however, the term “Dariclox Assets” does not include any rights, titles and interests in or to owned or leased real property or buildings.

- PP. “Darifenacin” means all Products that contain the active pharmaceutical ingredient generically known as darifenacin that were in Development by Respondent Pfizer prior to the divestiture of the Darifenacin Assets. The chemical name of darifenacin is (S)-1-[2-(2,3-Dihydro-5-benzofuranyl)ethyl]- α,α -diphenyl-3-pyrrolidineacetamide. The term “Darifenacin” also includes all Products marketed or in Development by Respondent Pfizer on or before the Effective Date that are muscarinic receptor antagonists and are planned to be marketed for use in the Field of Overactive Bladder.
- QQ. “Darifenacin Assets” means all of Respondent Pfizer’s rights, title and interest in and to all assets related to Respondent Pfizer’s worldwide business related to the Product “Darifenacin,” to the extent legally transferable, including the research, Development, manufacture,

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distribution, marketing or sale of Darifenacin, including, without limitation, the following:

1. all Product Intellectual Property;
2. license(s) to all Product Licensed Intellectual Property to use, make, distribute, offer for sale, promote, advertise, sell, import or export, or have used, made, distributed, offered for sale, promoted, advertised, sold, imported or exported any product anywhere in the world; *provided, however*, such license(s) shall be worldwide, perpetual, fully paid-up and royalty-free; *provided further, however*, such license(s) shall be on an exclusive basis (even as to Respondents) in accordance with the Divestiture Agreement(s);
3. the Product and Product Registrations;
4. the Product Trade Dress;
5. a list of all targeted customers for the Product and the planned or proposed pricing of the Product for such customers;
6. at the Commission-approved Acquirer's option, each of the Product Assumed Contracts;
7. all Product Marketing Materials;
8. all Website(s) related to the Product;
9. a list of all of the NDC Numbers related to the Product;
10. rights of reference to the Drug Master Files including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs;

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11. rights of reference (if such rights exist) to information similar to the Drug Master Files submitted to any Agency other than the FDA;
12. Product Scientific and Regulatory Material;
13. all unfilled customer orders for finished goods as of the Closing Date (a list of such orders is to be provided to the Commission-approved Acquirer within two Business Days after the Closing Date);
14. Product Manufacturing Technology, and Product manufacturing and manufacturing processes;
15. at the Commission-approved Acquirer's option, all inventories in existence as of the Closing Date, including, but not limited to, raw materials, goods in process, finished goods, and Product specific packaging and labels;
16. at the Commission-approved Acquirer's option (and, in the case of Novartis, to the extent exercised in the Darifenacin Asset Purchase Agreement), all manufacturing and other equipment located at the Darifenacin Manufacturing Facility that was used in, or suitable for use in, the research, Development or manufacture of Darifenacin; and
17. all Respondents' books, records and files related to the foregoing, including, but not limited to, the following specified documents: the Product Registrations; rights of reference to Drug Master Files, including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs; all data submitted to and all correspondence with the FDA and other Agencies; all validation documents and data; all market studies; all sales histories, including, without limitation, clinical data, and sales force call activity, for Darifenacin from January

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1, 2000, through the Closing Date, and quality control histories pertaining to Darifenacin owned by, or in the possession or control of, Respondents, or to which Respondents have a right of access, in each case such as is in existence as of the Closing Date.

provided, however, that in cases in which documents or other materials included in the Darifenacin Assets contain information that (i) relates both to Darifenacin and to other Products or businesses of Respondent Pfizer, and (ii) cannot be segregated in a manner that preserves the usefulness of the information as it relates to Darifenacin, Respondent Pfizer shall be required only to provide copies of the documents and materials containing this information. In instances where such copies are provided to the Commission-approved Acquirer, the Commission-approved Acquirer shall have access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this proviso is to ensure that Respondents provide the Commission-approved Acquirer with the above-described information without requiring Respondents completely to divest themselves of information that, in content, also relates to Products and businesses other than Darifenacin;

provided further, however, the term “Darifenacin Assets” does not include any rights, titles and interests in or to owned or leased real property or buildings.

RR. “Darifenacin Asset Purchase Agreement” means the “Asset Purchase Agreement by and between Pfizer Inc. as Seller and Novartis International Pharmaceuticals Ltd as Buyer and Novartis Pharma AG” dated March 17, 2003, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the Darifenacin Assets to be divested, that have been approved by the Commission to accomplish the requirements of this Order. The Darifenacin Asset Purchase Agreement is attached to this Order as non-public Appendix II.

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- SS. “Darifenacin Global Development Team” means all employees of Respondent Pfizer that are a part of Pfizer’s “Global Development Team” for the Product Darifenacin including, but not limited to, those employees on the “Rapid Response Team” related to the Product Darifenacin. These individuals are identified in non-public Appendix II attached to this Order.
- TT. “Darifenacin Manufacturing Facility” means Respondent Pfizer’s manufacturing and packaging facility located at Pottery Road, Ringaskiddy, County Cork, Dun Laoghaire, Ireland used by Respondent Pfizer to manufacture Darifenacin.
- UU. “Deramaxx” means the Product that contains the active pharmaceutical ingredient deracoxib used in the treatment of pain in dogs and cats. The chemical name of deracoxib is [4-[5-(3-flouro-4-methoxyphenyl)-3-difluoromethyl-1H-pyrazol-1-yl]-benzenesulfonamide] CAS No. 16959-41-4.
- VV. “Deramaxx License Agreement” means the “License Agreement between Novartis Animal Health, Inc. and G.D. Searle & Co.” dated September 24, 1999, and all amendments (other than the Deramaxx Amended License Agreement), exhibits, attachments, agreements, and schedules thereto, related to the Product Deramaxx. The Deramaxx License Agreement is contained in non-public Appendix VI.
- WW. “Deramaxx Amended License Agreement” means the “Amended License Agreement between Novartis Animal Health Inc. and the successor in interest to G.D. Searle & Co., with respect to this matter, Pharmacia & Upjohn Company” dated February 20, 2003, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the Product Deramaxx, that have been approved by the Commission to accomplish the requirements of this

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Order. The Deramaxx Amended License Agreement is attached to this Order as non-public Appendix VI.

- XX. “Designee” means any entity other than the Respondent(s) that will manufacture a Product for a Commission-approved Acquirer.
- YY. “Detrol” means all Products that contain the active pharmaceutical ingredient tolterodine marketed and sold under the Product Trademark “Detrol” or “Detrol LA” by Respondent Pharmacia for treating the symptoms of Overactive Bladder.
- ZZ. “Development” means all preclinical and clinical drug development activities (including formulation), including test method development and stability testing, toxicology, formulation, process development, manufacturing scale-up, development-stage manufacturing, quality assurance/quality control development, statistical analysis and report writing, conducting clinical trials for the purpose of obtaining any and all approvals, licenses, registrations or authorizations from any Agency necessary for the manufacture, use, storage, import, export, transport, promotion, marketing and sale of a Product (including any governmental price or reimbursement approvals), Product approval and registration, and regulatory affairs related to the foregoing. “Develop” means to engage in Development.
- AAA. “Direct Cost” means the cost of direct labor and direct material used to provide the relevant assistance or service.
- BBB. “Divestiture Agreement” means: 1) any agreement between a Respondent(s) and a Commission-approved Acquirer that is specifically referenced and attached to this Order and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the relevant assets to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed, and that have

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been approved by the Commission to accomplish the requirements of the Order in connection with the Commission's determination to make this Order final; or 2) any agreement between a Respondent(s) and a Commission-approved Acquirer (or between a Divestiture Trustee and a Commission-approved Acquirer) that has been approved by the Commission to accomplish the requirements of this Order, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the relevant assets to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed that have been approved by the Commission to accomplish the requirements of this Order.

- CCC. "Divestiture Trustee" means a trustee appointed by the Commission pursuant to the relevant provisions of this Order.
- DDD. "Domain Name" means the domain name(s) (universal resource locators), and registration(s) thereof, issued by any entity or authority who issues and maintains the domain name registration. "Domain Name" shall not include any trademark or service mark rights to such domain names other than the rights to the Product Trademarks required to be divested.
- EEE. "Dramamine" means all over-the-counter Products marketed and sold by Respondent Pharmacia under the Product Trademark "Dramamine" for treating the symptoms of motion sickness.
- FFF. "Dry Cow Mastitis" means an infection of the udder affecting dairy cows during periods when those cows are not producing milk.
- GGG. "Drug Master Files" means the information submitted to the FDA as described in 21 C.F.R. Part 314.420 related to a Product.

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- HHH. “Duramed” means Duramed Pharmaceuticals Inc., a company organized, existing and doing business under and by virtue of the laws of the State of Ohio, with its offices and principal place of business located at 5040 Duramed Drive, Cleveland, Ohio 45213. “Duramed” includes Barr Laboratories, Inc.
- III. “Effective Date” means the earlier of: 1) the date the Respondents close on the Merger Agreement, or 2) the date the Merger becomes effective by filing the certificate of merger with the Secretary of State of the State of Delaware.
- JJJ. “Employee Notification” means the “Notice of Divestiture and Requirement for Confidentiality” attached to this Order as public Appendix I and to the Order to Maintain Assets as public Appendix A.
- KKK. “Femhrt” means the Product that contains the active pharmaceutical ingredient generically known as ethinyl estradiol plus norethindrone acetate marketed and sold by Respondent Pfizer under the Product Trademark “femhrt” prior to the divestiture of the Femhrt Assets.
- LLL. “Femhrt Assets” means all of Respondent Pfizer’s rights, title and interest in and to all assets related to Respondent Pfizer’s worldwide business related to the Product “Femhrt,” to the extent legally transferable, including the research, Development, manufacture, distribution, marketing or sale of Femhrt, including, without limitation, the following:
1. all Product Intellectual Property;
 2. license(s) to all Product Licensed Intellectual Property to use, make, distribute, offer for sale, promote, advertise, sell, import or export, or have used, made, distributed, offered for sale, promoted, advertised, sold, imported or

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exported any product anywhere in the world; *provided, however*, such license(s) shall be worldwide, perpetual, fully paid-up and royalty-free; *provided further, however*, such license(s) shall be on an exclusive basis (even as to Respondents) in accordance with the Divestiture Agreement(s);

3. the Product and Product Registrations;
4. the Product Trade Dress;
5. the existing lists of all current customers for the Product and the pricing of the Product for such customers;
6. at the Commission-approved Acquirer's option, each of the Product Assumed Contracts;
7. all Product Marketing Materials;
8. all Website(s) related to the Product;
9. a list of all of the NDC Numbers related to the Product;
10. rights of reference to the Drug Master Files including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs;
11. rights of reference (if such rights exist) to information similar to the Drug Master Files submitted to any Agency other than the FDA;
12. Product Scientific and Regulatory Material;
13. all unfilled customer orders for finished goods as of the Closing Date (a list of such orders is to be provided to the Commission-approved Acquirer within two Business Days after the Closing Date);

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14. Product Manufacturing Technology, and Product manufacturing and manufacturing processes;
15. at the Commission-approved Acquirer's option, all inventories in existence as of the Closing Date, including, but not limited to, raw materials, goods in process, finished goods, and Product specific packaging and labels; and
16. all Respondents' books, records and files related to the foregoing, including, but not limited to, the following specified documents: the Product Registrations; rights of reference to Drug Master Files, including, but not limited to, the pharmacology and toxicology data contained in all NDAs, ANDAs, SNDAs and MAAs; all data submitted to and all correspondence with the FDA and other Agencies; all validation documents and data; all market studies; all sales histories, including, without limitation, clinical data, and sales force call activity, for Femhrt from January 1, 2000, through the Closing Date, and quality control histories pertaining to Femhrt owned by, or in the possession or control of, Respondents, or to which Respondents have a right of access, in each case such as is in existence as of the Closing Date.

provided, however, that in cases in which documents or other materials included in the Femhrt Assets contain information that (i) relates both to Femhrt and to other Products or businesses of Respondent Pfizer, and (ii) cannot be segregated in a manner that preserves the usefulness of the information as it relates to Femhrt, Respondent Pfizer shall be required only to provide copies of the documents and materials containing this information. In instances where such copies are provided to the Commission-approved Acquirer, the Commission-approved Acquirer shall have access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this proviso is to ensure that Respondents provide

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the Commission-approved Acquirer with the above-described information without requiring Respondents completely to divest themselves of information that, in content, also relates to Products and businesses other than Femhrt;

provided further, however, the term “Femhrt Assets” does not include any rights, titles and interests in or to owned or leased real property or buildings.

- MMM. “Femhrt Asset Purchase Agreement” means the “Purchase and Sale Agreement among Pfizer Inc., Galen (Chemicals) Limited and Galen Holdings plc” dated March 5, 2003, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the Femhrt Assets to be divested, that have been approved by the Commission to accomplish the requirements of this Order. The Femhrt Asset Purchase Agreement is attached to this Order as non-public Appendix III.
- NNN. “Field” means the prevention, treatment, diagnosis, or control of a particular medical condition.
- OOO. “GlaxoSmithKline” means GlaxoSmithKline PLC, a corporation organized, existing and doing business under and by virtue of the laws of the United Kingdom, with its offices and principal place of business located at 980 Great West Road, Brentford, Middlesex XO TW8 9GS, United Kingdom. GlaxoSmithKline manufactures the active pharmaceutical ingredients for the Cow Mastitis Products.
- PPP. “Governmental Entity” means any Federal, state, local or non-U.S. government or any court, legislature, governmental agency or governmental commission or any judicial or regulatory authority of any government.
- QQQ. “Halls Assets” means all of Respondent Pfizer’s rights,

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title and interest in and to all assets related to Respondent Pfizer's Halls Business worldwide, to the extent legally transferable. These assets are identified and described in Section 2.2 of the Halls Divestiture Agreement.

- RRR. "Halls Business" means the worldwide business of researching, developing, manufacturing, marketing, distributing and selling any product under the Halls Trademarks.
- SSS. "Halls Divestiture Agreement" means the "Stock and Asset Purchase Agreement by and between Pfizer Inc. and Cadbury Schweppes plc" dated December 16, 2002, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the Halls Business that have been approved by the Commission to accomplish the requirements of this Order. The Halls Divestiture Agreement is attached to this Order as non-public Appendix VIII.
- TTT. "Halls Trademarks" means all trademarks owned or controlled by Respondent Pfizer that contain the "Halls" brand name including, but not limited to, "Halls," "Halls Mentho-Lyptus," "Halls Plus," "Halls Sugar Free," "Halls Defense," or "Halls Fruit Breezers."
- UUU. "Hanford" means G.C. Hanford Manufacturing Company, a corporation organized, existing, and doing business under and by virtue of the laws of the State of New York with its offices and principal place of business located at 304 Oneida Street, Syracuse, New York 13201. Hanford produces the finished formulation of the Cow Mastitis Products.
- VVV. "Human Sexual Dysfunction" means sexual dysfunction in humans including, but not limited to, male erectile dysfunction and female sexual dysfunction.

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- WWW. “IN Apomorphine” means all Products containing the active pharmaceutical ingredient generically known as Apomorphine and that are delivered Intranasally.
- XXX. “IN Apomorphine Collaboration and License Agreement” means the “Collaboration and License Agreement by and between Pharmacia & Upjohn Company and Natestch Pharmaceutical Company, Inc.” dated February 1, 2002, and all amendments, exhibits, attachments, agreements, and schedules thereto. The IN Apomorphine Collaboration and License Agreement is contained in non-public Appendix IV.
- YYY. “IN Apomorphine Collaboration Product” means the Product that contains the active pharmaceutical ingredient generically known as Apomorphine delivered Intranasally that was in Development by Respondent Pharmacia prior to the Effective Date (including certain variations thereof, as described in the IN Apomorphine Disengagement Agreement).
- ZZZ. “IN Apomorphine Disengagement Agreement” means the “Divestiture Agreement” by and between Pharmacia & Upjohn Company and Natestch Pharmaceutical Company, Inc. dated January 24, 2003, and all amendments, exhibits, attachments, agreements, and schedules thereto, related to IN Apomorphine, that have been approved by the Commission to accomplish the requirements of this Order. The IN Apomorphine Disengagement Agreement is attached to this Order as non-public Appendix IV.
- AAAA. “IN Apomorphine Natestch Partner” means any entity that enters into any acquisition, alliance, collaboration, co-development or licensing arrangement with Natestch for the research, Development, distribution, manufacturing, marketing or sale of IN Apomorphine.

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- BBBB. “IN Apomorphine Nastech Releasee(s)” means Nastech or any entity controlled by or under common control with Nastech, or any licensees, sublicensees, manufacturers, suppliers, distributors, and customers of Nastech, or of such Nastech-affiliated entities.
- CCCC. “Interim Monitor” means a monitor appointed by the Commission pursuant to the relevant provisions of this Order or the Order to Maintain Assets.
- DDDD. “Intranasally” means delivery of a Product to the body by means of direct administration through the nostrils resulting in contact of the Product with the nasal mucosa or other aspects of the nasal cavity.
- EEEE. “Investigational New Animal Drug Application” (“INADA”) means the application for a Product filed or to be filed with the FDA pursuant to 21 C.F.R. part 514, or its foreign Agency equivalent, and all supplements, amendments, and revisions thereto, any preparatory work, drafts and data necessary for the preparation thereof, and all correspondence between Respondents and the FDA or other Agency relative thereto.
- FFFF. “Investigational New Drug Application” (“IND”) means the application filed with the FDA pursuant to 21 C.F.R. part 312.1, et seq., (as defined in 21 C.F.R. part 312.3), or its foreign Agency equivalent, and all supplements, amendments, and revisions thereto, any preparatory work, drafts and data necessary for the preparation thereof, and all correspondence between Respondents and the FDA or other Agency relative thereto.
- GGGG. “Lactating Cow Mastitis” means an infection of the udder affecting dairy cows when those cows are producing milk.
- HHHH. “Law” means all laws, statutes, rules, regulations,

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ordinances and other pronouncements having the effect of law by any Governmental Entity.

- III. “New Animal Drug Application” (“NADA”) or “Abbreviated New Animal Drug Application” (“ANADA”) mean the applications for a Product filed or to be filed with the FDA pursuant to 21 C.F.R. Part 514, or its foreign Agency equivalent, and all supplements, amendments, and revisions thereto, any preparatory work, drafts and data necessary for the preparation thereof, and all correspondence between Respondents and the FDA or other Agency relative thereto.
- JJJJ. “NDC Numbers” means the National Drug Code numbers(s) assigned by the FDA to a Product.
- KKKK. “New Drug Application” (“NDA”), “Abbreviated New Drug Application” (“ANDA”), “Supplemental New Drug Application” (“SND A”), or “Marketing Authorization Application” (“MAA”) mean the applications for a Product filed or to be filed with the FDA pursuant to 21 C.F.R. Part 314, or its foreign Agency equivalent, and all supplements, amendments, and revisions thereto, any preparatory work, drafts and data necessary for the preparation thereof, and all correspondence between Respondents and the FDA or other Agency relative thereto.
- LLLL. “Orbenin DC” means all Products that contain the active pharmaceutical ingredient generically known as sterile benzathine cloxacillin marketed and sold by Respondent Pfizer in the United States under the Product Trademark “Orbenin DC” prior to the divestiture of the Orbenin DC Assets. The term “Orbenin DC” also includes all benzathine cloxacillin-based intramammary Products marketed or in Development by Respondent Pfizer on or before the Effective Date that are planned to be marketed in the United States for use in the treatment of Dry Cow

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Mastitis.

MMMM. “Orbenin DC Assets” means all of Respondent Pfizer’s rights, title and interest in and to all assets related to Respondent Pfizer’s United States business related to the Product “Orbenin DC,” to the extent legally transferable, including the research, Development, manufacture, distribution, marketing or sale of Orbenin DC, including, without limitation, the following:

1. all Product Intellectual Property;
2. license(s) to all Product Licensed Intellectual Property to use, make, distribute, offer for sale, promote, advertise, sell, import or export, or have used, made, distributed, offered for sale, promoted, advertised, sold, imported or exported any product anywhere in the United States; *provided, however*, such license(s) shall be for the territory of the United States, perpetual, fully paid-up and royalty-free; *provided further, however*, such license(s) shall be on an exclusive basis (even as to Respondents) in accordance with the Divestiture Agreement(s);
3. the Product and Product Registrations;
4. the Product Trade Dress;
5. the existing lists of all current customers for the Product and the pricing of the Product for such customers;
6. at the Commission-approved Acquirer’s option, each of the Product Assumed Contracts;
7. all Product Marketing Materials;
8. all Website(s) related to the Product;

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9. a list of all of the NDC Numbers related to the Product;
10. rights of reference to the Drug Master Files including but not limited to, the pharmacology and toxicology data contained in all NADAs and ANADAs;
11. rights of reference (if such rights exist) to information similar to the Drug Master Files submitted to any Agency other than the FDA;
12. Product Scientific and Regulatory Material;
13. all unfilled customer orders for finished goods as of the Closing Date (a list of such orders is to be provided to the Commission-approved Acquirer within two Business Days after the Closing Date);
14. Product Manufacturing Technology, and Product manufacturing and manufacturing processes;
15. at the Commission-approved Acquirer's option, all inventories in existence as of the Closing Date, including, but not limited to, raw materials, goods in process, finished goods, and Product specific packaging and labels; and
16. all Respondents' books, records and files related to the foregoing, including, but not limited to, the following specified documents: the Product Registrations; rights of reference to Drug Master Files, including, but not limited to, the pharmacology and toxicology data contained in all NADAs and ANADAs; all data submitted to and all correspondence with the FDA and other Agencies; all validation documents and data; all market studies; all sales histories, including, without limitation, clinical data, and sales force call activity, for Orbenin DC from January 1, 2000, through the Closing Date, and quality control histories pertaining to Orbenin DC owned by, or in the

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possession or control of, Respondents, or to which Respondents have a right of access, in each case such as is in existence as of the Closing Date.

provided, however, that in cases in which documents or other materials included in the Orbenin DC Assets contain information that (i) relates both to Orbenin DC and to other Products or businesses of Respondent Pfizer, and (ii) cannot be segregated in a manner that preserves the usefulness of the information as it relates to Orbenin DC, the Respondent Pfizer shall be required only to provide copies of the documents and materials containing this information. In instances where such copies are provided to the Commission-approved Acquirer, the Commission-approved Acquirer shall have access to original documents under circumstances where copies of documents are insufficient for evidentiary or regulatory purposes. The purpose of this proviso is to ensure that Respondents provide the Commission-approved Acquirer with the above-described information without requiring Respondents completely to divest themselves of information that, in content, also relates to Products and businesses other than Orbenin DC;

provided further, however, the term “Orbenin DC Assets” does not include any rights, titles and interests in or to owned or leased real property or buildings.

- NNNN. “Overactive Bladder” means a symptomatic condition that includes urinary frequency, urinary urgency and urinary incontinence.
- OOOO. “Ownership Interest” means any and all rights, present or contingent, of Respondents to hold any voting or nonvoting stock, share capital, equity or other interests or beneficial ownership in an entity.
- PPPP. “Patents” means all patents, patent applications and statutory invention registrations, in each case existing as of the Effective Date (*except* where this Order specifies a

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different time), and includes all reissues, divisions, continuations, continuations-in-part, supplementary protection certificates, extensions and reexaminations thereof, all inventions disclosed therein, all rights therein provided by international treaties and conventions, and all rights to obtain and file for patents and registrations thereto in the world, related to any Product of or owned by Respondents as of the Closing Date.

QQQQ. “Pharmacia Cow Mastitis Products” means all Products marketed and sold by Respondent Pharmacia in the United States under the following Product Trademarks: “Quartermaster,” “Biodry,” “Albadry Plus,” “Pirsue,” “Pirsue Aqueous Gel,” “Pirsue Sterile Solution,” or “Albacillin,” for the treatment of either Dry Cow Mastitis or Lactating Cow Mastitis.

RRRR. “Product” means any pharmaceutical, biological, or genetic composition containing any formulation or dosage of a compound referenced as its pharmaceutically, biologically or genetically active ingredient.

SSSS. “Product Assumed Contracts” means all contracts or agreements:

1. pursuant to which any Third Party purchases the Product(s) from the Respondent(s);
2. pursuant to which the Respondent(s) purchases any materials from any Third Party for use in connection with the manufacture of the Product(s);
3. relating to any clinical trial involving the Product(s);
4. constituting the material transfer agreements involving the transfer of the Product(s);

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5. relating to the marketing of the Product(s) or educational matters relating to the Product(s);
6. relating to the manufacture of the Product(s);
7. constituting confidentiality agreements involving the Product(s);
8. involving any royalty, licensing or similar arrangement involving the Product(s);
9. pursuant to which any services are provided with respect to the Product(s) or the Product(s) business, including consultation arrangements; and/or
10. pursuant to which any Third Party collaborates with the Respondent(s) in the performance of research or Development of the Product(s) or the Product(s) business.

provided, however, that where any such contract or agreement also relates to Product(s) of Respondent(s) other than the Product(s) required to be divested pursuant to this Order, Respondents shall assign the Commission-approved Acquirer all such rights under the contract or agreement as are related to the Product(s) required to be divested pursuant to this Order, but concurrently may retain similar rights for the purposes of the other Product(s).

TTTT. “Product Copyrights” means rights to all original works of authorship of any kind related to the Product(s) and any registrations and applications for registrations thereof, including, but not limited to, the following: all promotional materials for healthcare providers; all promotional materials for patients; educational materials for the sales force; copyrights in all pre-clinical, clinical and process development data and reports relating to the research and Development of the Product(s) or of any materials used in the research, Development,

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manufacture, marketing or sale of the Product(s), including all raw data relating to clinical trials of the Product(s), all case report forms relating thereto and all statistical programs developed (or modified in a manner material to the use or function thereof (other than through user references)) to analyze clinical data, all market research data, market intelligence reports and statistical programs (if any) used for marketing and sales research; customer information, promotional and marketing materials, the Product(s) sales forecasting models, medical education materials, sales training materials, Website content and advertising and display materials; all records relating to employees that accept employment with the Commission-approved Acquirer (excluding any personnel records the transfer of which is prohibited by applicable Law); all records, including customer lists, sales force call activity reports, vendor lists, sales data, reimbursement data, speaker lists, manufacturing records, manufacturing processes, and supplier lists; all data contained in laboratory notebooks relating to the Product(s) or relating to its biology; all adverse experience reports and files related thereto (including source documentation) and all periodic adverse experience reports and all data contained in electronic data bases relating to adverse experience reports and periodic adverse experience reports; all analytical and quality control data; and all correspondence with the FDA.

UUUU. “Product Employee Information” means the following:

1. a complete and accurate list containing the name of each relevant employee as of the execution date of the related Divestiture Agreement. This list shall be organized by the relevant respective employee categories defined in this Order, (*i.e.*, “Darifenacin Global Development Team,” “Product Manufacturing Employees,” “Product Marketing Employees,” “Product Research and

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Development Employees,” or “Product Sales Employees,” as applicable);

2. with respect to each such employee:
 - a. the date of hire and effective service date;
 - b. job title or position held;
 - c. a specific description of the employee’s responsibilities related to the relevant Product; *provided, however*, in lieu of this description, Respondents may provide the employee’s most recent performance appraisal;
 - d. the base salary or current wages;
 - e. the most recent bonus paid, aggregate annual compensation for the relevant Respondent’s last fiscal year and current target or guaranteed bonus, if any;
 - f. employment status (*i.e.*, active or on leave or disability; full-time or part-time); and
 - g. any other material terms and conditions of employment in regard to such employee that are not otherwise generally available to similarly situated employees; and
3. at the Commission-approved Acquirer’s option or the Proposed Acquirer’s option (as applicable), copies of all employee benefit plans and summary plan descriptions (if any) applicable to the relevant employees.

VVVV. “Product Intellectual Property” means all of the following related to the Product(s):

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1. Patents;
2. Product Copyrights;
3. Product Software, other than Product Licensed Intellectual Property;
4. Product Trademarks;
5. trade secrets, know-how, techniques, data, inventions, practices, methods and other confidential or proprietary technical, business, research, Development and other information, and all rights in any jurisdiction to limit the use or disclosure thereof, other than Product Licensed Intellectual Property;
6. rights to obtain and file for Patents and registrations thereof; and
7. rights to sue and recover damages or obtain injunctive relief for infringement, dilution, misappropriation, violation or breach of any of the foregoing;

provided, however, “Product Intellectual Property” does not include the names “Pfizer,” “Pharmacia,” “Parke-Davis,” “Warner-Lambert,” “UpJohn,” “Searle” or the names of any other corporations or companies owned by Respondents or related logos to the extent used on other of Respondent Pfizer’s or Respondent Pharmacia’s Products.

WWW. “Product Licensed Intellectual Property” means:

1. Product Software that is used in connection with the analysis of clinical trial data for a Product that is the subject of a divestiture under this Order that Respondents can demonstrate has been routinely used, prior to the Effective Date, by either Respondent Pharmacia or Respondent Pfizer (as applicable) for Product(s) other

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than the Product that is the subject of the relevant divestiture; and

2. trade secrets, know-how, techniques, data, inventions, practices, methods and other confidential or proprietary technical, business, research, Development and other information, and all rights in any jurisdiction to limit the use or disclosure thereof, that are related to a Product that is the subject of a divestiture under this Order that Respondents can demonstrate have been routinely used, prior to the Effective Date, by either Respondent Pharmacia or Respondent Pfizer (as applicable) for Product(s) other than the Product that is the subject of the relevant divestiture.

- XXXX. “Product Manufacturing Employees” means all salaried employees of Respondent(s) who directly participated (irrespective of the portion of working time involved) in the manufacture of the Product(s), including, but not limited to, those involved in the quality assurance and quality control of the Product(s), within the eighteen (18) month period immediately prior to the Closing Date.
- YYYY. “Product Manufacturing Technology” means all technology, trade secrets, know-how, and proprietary information related to the manufacture, validation, packaging, release testing, stability and shelf life of the Product(s), including the Product(s)’ formulation, in existence and in the possession of Respondents as of the Closing Date, including, but not limited to, manufacturing records, sampling records, standard operating procedures and batch records related to the manufacturing process, and supplier lists.
- ZZZZ. “Product Marketing Employees” means all management level employees of Respondent(s) who directly participated (irrespective of the portion of

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working time involved) in the marketing, contracting, or promotion of the Product(s) in the United States within the eighteen (18) month period immediately prior to the Closing Date. These employees include, without limitation, all management level employees having any responsibilities in the areas of sales management, brand management, sales training, market research, managed care contracting, hospital market and other specialty markets, but excluding administrative assistants.

- AAAAA. “Product Marketing Materials” means all marketing materials used anywhere in the world related to the Product(s) as of the Closing Date, including, without limitation, all advertising materials, training materials, product data, price lists, mailing lists, sales materials (e.g., detailing reports; vendor lists; sales data; reimbursement data), marketing information (e.g., competitor information; research data; market intelligence reports; statistical programs (if any) used for marketing and sales research; customer information, including customer sales information; sales forecasting models; medical educational materials; Website content and advertising and display materials; speaker lists), promotional and marketing materials, artwork for the production of packaging components, television masters and other similar materials related to the Product(s).
- BBBBB. “Product Registrations” means all registrations, permits, licenses, consents, authorizations and other approvals, and pending applications and requests therefor, required by applicable Agencies related to the research, Development, manufacture, distribution, finishing, packaging, marketing or sale of the Product worldwide, including all INDs, INADAs, NDAs, ANDAs, SNDAs, MAAs, NADAs, or ANADAs in existence for the Product as of the Closing Date.

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- CCCCC. “Product Research and Development Employees” means all employees of Respondent(s) who directly participated (irrespective of the portion of working time involved) in the research, Development, regulatory approval process, or clinical studies of the Product(s) within the eighteen (18) month period immediately prior to the Closing Date.
- DDDDD. “Product Sales Employees” means all employees of Respondent(s) who directly participated (irrespective of the portion of working time involved) in the detailing, marketing or promotion of the Product directly to physicians (or, in the case of Products used to treat animals, veterinarians), pharmacists, professional distributors, managed care or other insurance providers, hospitals, employers, or governmental entities within the eighteen (18) month period immediately prior to the Closing Date. This includes employees trained to perform such detailing for the Product within the eighteen (18) month period immediately prior to the Closing Date.
- EEEEEE. “Product Scientific and Regulatory Material” means all technological, scientific, chemical, biological, pharmacological, toxicological, regulatory and clinical trial materials and information related to the Product(s), and all rights thereto, in any and all jurisdictions.
- FFFFF. “Product Software” means computer programs, including all software implementations of algorithms, models, and methodologies whether in source code or object code form, databases and compilations, including any and all data and collections of data, all documentation, including user manuals and training materials, related to any of the foregoing and the content and information contained on any Website; *provided, however*, that “Product Software” does not include software that is readily purchasable or licensable and which has not been modified in a manner

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material to the use or function thereof (other than through user preference settings).

- GGGGG. “Product Trade Dress” means the current trade dress of the Product(s), including, but not limited to, product packaging associated with the sale of the Product(s) worldwide and the lettering of the Product(s)’ trade name or brand name.
- HHHHH. “Product Trademark(s)” means all trademarks, trade names and brand names including registrations and applications for registration therefor (and all renewals, modifications, and extensions thereof) and all common law rights, and the goodwill symbolized thereby and associated therewith, for the Product(s).
- IIII. “Proposed Acquirer” means an entity proposed by the Respondents (or a Divestiture Trustee) to the Commission and submitted for the approval of the Commission as the acquirer for particular assets required to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed by Respondents pursuant to this Order.
- JJJJ. “Rimadyl” means all Products marketed and sold by Respondent Pfizer under the Product Trademark “Rimadyl” for the treatment of pain in dogs and cats.
- KKKKK. “Supply Cost” means the manufacturer’s average direct per unit cost of manufacturing the Product plus costs of manufacturing the Product that are directly attributable to FDA regulatory, quality control and compliance. “Supply Cost” shall expressly exclude any intracompany business transfer profit.
- LLLLL. “Third Party(ies)” means any private entity other than: (1) the Respondents, or (2) the Commission-approved Acquirer for the relevant assets to be divested related to a particular Product(s).

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- MMMMM. “Viagra” means all Products marketed and sold by Respondent Pfizer under the Product Trademark “Viagra” for treating the symptoms of male erectile dysfunction.
- NNNNN. “Website” means the content of the Website(s) located at the Domain Names, the Domain Names, and all copyrights in such Website(s), to the extent owned by Respondents. “Website” shall not include (1) content owned by third parties and other Product Intellectual Property not owned by Respondents that are incorporated in such Website(s), such as stock photographs used in the Website(s), except to the extent that Respondents can convey their rights, if any, therein; or (2) content unrelated to the Product(s).

II.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) Business Days after the Effective Date, Respondents shall divest the Darifenacin Assets, absolutely and in good faith, to Novartis pursuant to and in accordance with the Darifenacin Asset Purchase Agreement (which agreement shall not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of Novartis or to reduce any obligations of Respondents under such agreement), and such agreement, if it becomes the Divestiture Agreement for the Darifenacin Assets, is incorporated by reference into this Order and made a part hereof. If Respondents do not divest the Darifenacin Assets to Novartis within ten (10) Business Days after the Effective Date, the Commission may appoint a Divestiture Trustee to divest the Darifenacin Assets;

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provided, *however*, that if Respondents have divested the Darifenacin Assets to Novartis prior to the date this Order becomes final, and if, at the time the Commission determines to make this Order final, the Commission notifies Respondents that Novartis is not an acceptable purchaser of the Darifenacin Assets, or that the manner in which the divestiture was accomplished is not acceptable, then Respondents shall immediately rescind the transaction with Novartis and shall divest the Darifenacin Assets within six (6) months from the date the Order becomes final, absolutely and in good faith, at no minimum price, to a Commission-approved Acquirer and only in a manner that receives the prior approval of the Commission.

- B. Any Divestiture Agreement that has been approved by the Commission between Respondents (or a Divestiture Trustee) and a Commission-approved Acquirer of the Darifenacin Assets shall be deemed incorporated into this Order, and any failure by Respondents to comply with any term of such Divestiture Agreement related to the Darifenacin Assets shall constitute a failure to comply with this Order.
- C. Respondents shall include in any Divestiture Agreement related to the Darifenacin Assets the following provisions:
 - 1. Respondents shall Contract Manufacture and deliver to the Commission-approved Acquirer, in a timely manner and under reasonable terms and conditions, a supply of Darifenacin, at Respondents' Supply Cost, for a period of time sufficient to allow the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to obtain all FDA approvals necessary to manufacture Darifenacin independently of Respondents.
 - 2. After Respondents commence delivery of Darifenacin to the Commission-approved Acquirer pursuant to a Divestiture Agreement and for the term of the Contract Manufacture related to Darifenacin, Respondents will

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make inventory of Darifenacin available for sale or resale only to the Commission-approved Acquirer.

3. Respondents shall make representations and warranties to the Commission-approved Acquirer that the Darifenacin supplied through Contract Manufacture pursuant to the Divestiture Agreement meets FDA-approved specifications. Respondents shall agree to indemnify, defend and hold the Commission-approved Acquirer harmless from any and all suits, claims, actions, demands, liabilities, expenses or losses alleged to result from the failure of the Darifenacin supplied to the Commission-approved Acquirer pursuant to the Divestiture Agreement by the Respondents to meet FDA specifications. This obligation shall be contingent upon the Commission-approved Acquirer giving Respondents prompt, adequate notice of such claim and cooperating fully in the defense of such claim. The Divestiture Agreement shall be consistent with the obligations assumed by Respondents under this Order; *provided, however*, Respondents may reserve the right to control the defense of any such litigation, including the right to settle the litigation, so long as such settlement is consistent with the Respondents' responsibilities to supply Darifenacin in the manner required by this Order; *provided further, however*, this obligation shall not require Respondents to be liable for any negligent act or omission of the Commission-approved Acquirer or for any representations and warranties, express or implied, made by the Commission-approved Acquirer that exceed the representations and warranties made by the Respondents to the Commission-approved Acquirer.
4. Respondents shall make representations and warranties to the Commission-approved Acquirer that Respondents will hold harmless and indemnify the Commission-approved Acquirer for any liabilities or loss of profits resulting from the failure by Respondents to deliver

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Darifenacin in a timely manner as required by the Divestiture Agreement unless Respondents can demonstrate that their failure was entirely beyond the control of the Respondents and in no part the result of negligence or willful misconduct by Respondents.

5. During the term of the Contract Manufacture between Respondents and the Commission-approved Acquirer, upon request of the Commission-approved Acquirer or Interim Monitor (if applicable), Respondents shall make available to the Commission-approved Acquirer or the Interim Monitor all records that relate to the manufacture of Darifenacin that are generated or created after the Closing Date.
6. Upon reasonable notice and request from the Commission-approved Acquirer to the Respondents, Respondents shall provide in a timely manner at no greater than Direct Cost:
 - a. assistance and advice to enable the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to obtain all necessary permits and approvals from any Agency or Governmental Entity to manufacture and sell Darifenacin;
 - b. assistance to the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to manufacture Darifenacin in substantially the same manner and quality employed or achieved by Respondent Pfizer; and
 - c. consultation with knowledgeable employees of Respondents and training, at the request of the Commission-approved Acquirer and at a facility chosen by the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee

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of the Commission-approved Acquirer) obtains all FDA approvals necessary to manufacture Darifenacin independently of the Respondents and sufficient to satisfy management of the Commission-approved Acquirer that its personnel (or the Designee's personnel) are adequately trained in the manufacture of Darifenacin.

- D. Respondents shall submit to the Commission-approved Acquirer, at Respondents' expense, all Confidential Business Information related to Darifenacin; *provided, however*, this provision shall not apply to any Confidential Business Information related to Darifenacin that Respondent Pharmacia can demonstrate it obtained without the assistance of Respondent Pfizer prior to the Effective Date.
- E. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with requirements of this Order) related to the research, Development, manufacturing, marketing, or sale of Darifenacin, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any person except the Commission-approved Acquirer; *provided, however*, this provision shall not apply to any Confidential Business Information related to Darifenacin that Respondent Pharmacia can demonstrate it obtained without the assistance of Respondent Pfizer prior to the Effective Date.
- F. For a period of eighteen (18) months from the Closing Date ("the Darifenacin Access Period"), Respondents shall provide the Commission-approved Acquirer with the opportunity to enter into employment contracts with the Darifenacin Global Development Team, Product Manufacturing Employees, Product Marketing Employees, and Product Research and Development Employees related to Darifenacin ("Darifenacin Core Employees").
- G. Respondents shall provide any Proposed Acquirer with the

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opportunity to enter into employment contracts with the Darifenacin Core Employees in connection with the divestiture of the Darifenacin Assets; *provided, however*, that any such employment contracts entered into prior to the Closing Date shall be contingent upon approval by the Commission of the agreements relating to the Darifenacin Assets (*i.e.*, those agreements proposed by Respondents (or the Divestiture Trustee) to the Commission) as the Divestiture Agreements for the Darifenacin Assets.

- H. Not later than twenty-five (25) Business Days after the execution date of any proposed Divestiture Agreement related to Darifenacin Assets, Respondents shall provide the Commission-approved Acquirer or the Proposed Acquirer the Product Employee Information related to the Darifenacin Core Employees. Failure by Respondents to provide the Product Employee Information for any relevant employee within the time provided herein shall extend the Darifenacin Access Period with respect to that employee in an amount equal to the delay.
- I. During the Darifenacin Access Period, Respondents shall not interfere with the hiring or employing by the Commission-approved Acquirer of Darifenacin Core Employees, and shall remove any impediments within the control of Respondents that may deter these employees from accepting employment with the Commission-approved Acquirer, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the Commission-approved Acquirer. In addition, Respondents shall not make any counteroffer to a Darifenacin Core Employee who receives a written offer of employment from the Commission-approved Acquirer;

provided, however, that these requirements shall not prohibit the Respondents from making offers of employment to or employing any Darifenacin Core Employee during the

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Darifenacin Access Period where the Commission-approved Acquirer has notified the Respondents in writing that the Commission-approved Acquirer does not intend to make an offer of employment to that employee;

provided further, that if the Respondents notify the Commission-approved Acquirer in writing of their desire to make an offer of employment to a particular Darifenacin Core Employee and the Commission-approved Acquirer does not make an offer of employment to that employee within twenty (20) Business Days of the date the Commission-approved Acquirer receives such notice, the Respondents may make an offer of employment to that employee.

- J. Respondents shall provide all Darifenacin Core Employees with reasonable financial incentives to continue in their positions until the Closing Date. Such incentives shall include a continuation of all employee benefits offered by Respondents until the Closing Date for the divestiture of the Darifenacin Assets has occurred, including regularly scheduled raises, bonuses, and vesting of pension benefits (as permitted by Law). In addition to the foregoing, Respondents shall provide to each Darifenacin Core Employee who accepts employment with the Commission-approved Acquirer, an incentive equal to three (3) months of such employee's base annual salary to be paid upon the employee's completion of one (1) year of employment with the Commission-approved Acquirer;

provided, however, that nothing in these requirements or in this Order requires or shall be construed to require the Respondents to terminate the employment of any employee.

- K. For a period of one (1) year from the Closing Date, Respondents shall not:
1. directly or indirectly, solicit or otherwise attempt to induce any employee of the Commission-approved Acquirer with any amount of responsibility related to

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Darifenacin (“Darifenacin Employee”) to terminate his or her employment relationship with the Commission-approved Acquirer; *provided, however*, a violation of this provision will not occur by any of the following actions: (i) Respondents advertise for employees in newspapers, trade publications or other media not targeted specifically at the Darifenacin Employees, or (ii) a Darifenacin Employee contacts Respondents on his or her own initiative without any direct or indirect solicitation or encouragement from the Respondents; or

2. hire any Darifenacin Employee; *provided, however*, Respondents may hire any former Darifenacin Employee whose employment has been terminated by the Commission-approved Acquirer or who independently applies for employment with the Respondents, as long as such employee was not solicited in violation of the non-solicitation requirements contained herein.

- L. Prior to the Closing Date, Respondents shall secure all consents and waivers from all Third Parties that are necessary for the divestiture of the Darifenacin Assets to the Commission-approved Acquirer, or for the continued research, Development, manufacture, sale, marketing or distribution of Darifenacin by the Commission-approved Acquirer.
- M. For a period of one (1) year from the Closing Date, Respondents shall not market or promote Detrol in the United States using the services of any Product Marketing Employee related to Darifenacin.
- N. Respondents shall require, as a condition of continued employment post-divestiture, that each Darifenacin Core Employee sign a confidentiality agreement pursuant to which such employee shall be required to maintain all Confidential Business Information related to Darifenacin strictly confidential, including the nondisclosure of such information to all other employees, executives or other

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personnel of Respondents (other than as necessary to comply with the requirements of this Order).

- O. Respondents shall provide written notification of the restrictions on the use of the Confidential Business Information related to Darifenacin by Respondents' personnel to all of Respondents' employees who (i) are or were involved in the research, Development, manufacturing, distribution, sale or marketing of Darifenacin, (ii) are involved in the research, Development, manufacturing, distribution, sale or marketing of Detrol and/or (iii) may have Confidential Business Information related to Darifenacin. Such notification shall be in substantially the form set forth in the Employee Notification. Respondents shall give such notification by e-mail with return receipt requested or similar transmission, and keep a file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of such notification to the Commission-approved Acquirer. Respondents shall maintain complete records of all such agreements at Respondents' corporate headquarters and shall provide an officer's certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall provide the Commission-approved Acquirer with copies of all certifications, notifications and reminders sent to Respondents' personnel.
- P. Upon reasonable notice and request by the Commission-approved Acquirer, Respondents shall make available to the Commission-approved Acquirer, at no greater than Direct Cost, such personnel, assistance and training as the Commission-approved Acquirer might reasonably need to transfer the Darifenacin Assets, and shall continue providing such personnel, assistance and training, at the request of the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) is fully validated, qualified, and approved

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by the FDA, and able to manufacture Darifenacin independently of the Respondents.

- Q. Pending divestiture of the Darifenacin Assets, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Darifenacin Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Darifenacin Assets except for ordinary wear and tear.
- R. Counsel for Respondents (including in-house counsel under appropriate confidentiality arrangements) may retain unredacted copies of all documents or other materials provided to the Commission-approved Acquirer and may have access to original documents (under circumstances where copies of documents are insufficient or otherwise unavailable) provided to the Commission-approved Acquirer in order to:
1. comply with any Divestiture Agreement, this Order, any Law (including, without limitation, any requirement to obtain regulatory licenses or approvals), any data retention requirement of any applicable Governmental Entity, or any taxation requirements; or
 2. defend against, respond to, or otherwise participate in any litigation, investigation, audit, process, subpoena or other proceeding relating to the divestiture or any other aspect of the Darifenacin Assets or Darifenacin business;
provided, however, that Respondents may disclose such information as necessary for the purposes set forth in this Paragraph pursuant to an appropriate confidentiality order, agreement or arrangement;
- provided further, however:*
1. Respondents shall require those who view such unredacted documents or other materials to enter into confidentiality agreements with the Commission-approved Acquirer;

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provided, however, that Respondents shall not be deemed to have violated this requirement if the Commission-approved Acquirer withholds such agreement unreasonably; and

2. Respondents shall use their best efforts to obtain a protective order to protect the confidentiality of such information during any adjudication.
- S. Respondents shall maintain manufacturing facilities for Darifenacin production that are ready, validated, qualified and approved by the FDA, and fully capable of producing Darifenacin until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) is fully validated, qualified and approved by the FDA and able to manufacture Darifenacin independently of Respondents; *provided, however*, the Commission may eliminate, or limit the duration of, the Respondents' obligation under this provision should the Commission determine that the Commission-approved Acquirer is not using commercially reasonable best efforts to secure the FDA approvals necessary to manufacture Darifenacin independently of Respondents.
- T. The purpose of the divestiture of the Darifenacin Assets is to ensure the continued use of the Darifenacin Assets in the same business in which the Darifenacin Assets were engaged at the time of the announcement of the Merger, and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

III.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) Business Days after the Effective Date, Respondents shall divest the Femhrt Assets, absolutely and in good faith, to Galen pursuant to and in accordance with the Femhrt Asset Purchase Agreement

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(which agreement shall not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of Galen or to reduce any obligations of Respondents under such agreement), and such agreement, if approved by the Commission as the Divestiture Agreement for the Femhrt Assets, is incorporated by reference into this Order and made part hereof. If Respondents do not divest the Femhrt Assets to Galen within ten (10) Business Days after the Effective Date, the Commission may appoint a Divestiture Trustee to divest the Femhrt Assets;

provided, however, that if Respondents have divested the Femhrt Assets to Galen prior to the date this Order becomes final, and if, at the time the Commission determines to make this Order final, the Commission notifies Respondents that Galen is not an acceptable purchaser of the Femhrt Assets, or that the manner in which the divestiture was accomplished is not acceptable, then Respondents shall immediately rescind the transaction with Galen and shall divest the Femhrt Assets within six (6) months from the date the Order becomes final, absolutely and in good faith, at no minimum price, to a Commission-approved Acquirer and only in a manner that receives the prior approval of the Commission.

- B. Any Divestiture Agreement that has been approved by the Commission between Respondents (or a Divestiture Trustee) and a Commission-approved Acquirer of the Femhrt Assets shall be deemed incorporated into this Order, and any failure by Respondents to comply with any term of such Divestiture Agreement related to the Femhrt Assets shall constitute a failure to comply with this Order.
- C. Respondents shall submit to the Commission-approved Acquirer, at Respondents' expense, all Confidential Business Information related to Femhrt; *provided, however*, this provision shall not apply to any Confidential Business

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Information related to Femhrt that Respondent Pharmacia can demonstrate it obtained without the assistance of Respondent Pfizer prior to the Effective Date.

- D. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with requirements of this Order) related to the research, Development, manufacturing, marketing, or sale of Femhrt, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any person except the Commission-approved Acquirer; *provided, however*, this provision shall not apply to any Confidential Business Information related to Femhrt that Respondent Pharmacia can demonstrate it obtained without the assistance of Respondent Pfizer prior to the Effective Date.
- E. For a period of six (6) months from the Closing Date (“the Femhrt Access Period”), Respondents shall provide the Commission-approved Acquirer with the opportunity to enter into employment contracts with the Product Marketing Employees and Product Research and Development Employees related to Femhrt (“Femhrt Core Employees”) and the Product Sales Employees related to Femhrt (“Femhrt Sales Employees”).
- F. Respondents shall provide any Proposed Acquirer with the opportunity to enter into employment contracts with the Femhrt Core Employees and the Femhrt Sales Employees in connection with the divestiture of the Femhrt Assets; *provided, however*, that any such employment contracts entered into prior to the Closing Date shall be contingent upon approval by the Commission of the agreements relating to the Femhrt Assets (*i.e.*, those agreements proposed by Respondents (or the Divestiture Trustee) to the Commission) as the Divestiture Agreements for the Femhrt Assets.
- G. Not later than twenty-five (25) Business Days after the

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execution date of any proposed Divestiture Agreement related to Femhrt Assets, Respondents shall provide the Commission-approved Acquirer or the Proposed Acquirer the Product Employee Information related to the Femhrt Core Employees. At the Commission-approved Acquirer's option or the Proposed Acquirer's option and not later than twenty (20) Business Days after the notification to Respondents of the intention to exercise such option, Respondents also shall provide to the Commission-approved Acquirer, or the Proposed Acquirer, the Product Employee information related to the Femhrt Sales Employees. Failure by Respondents to provide the Product Employee Information for any relevant employee within the time provided herein shall extend the Femhrt Access Period with respect to that employee in an amount equal to the delay.

- H. During the Femhrt Access Period, Respondents shall not interfere with the hiring or employing by the Commission-approved Acquirer of Femhrt Core Employees or Femhrt Sales Employees, and shall remove any impediments within the control of Respondents that may deter these employees from accepting employment with the Commission-approved Acquirer, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the Commission-approved Acquirer. In addition, Respondents shall not make any counteroffer to a Femhrt Core Employee or Femhrt Sales Employee who receives a written offer of employment from the Commission-approved Acquirer;

provided, however, that these requirements shall not prohibit the Respondents from making offers of employment to or employing any Femhrt Core Employee or any Femhrt Sales Employee during the Femhrt Access Period where the Commission-approved Acquirer has notified the Respondents in writing that the Commission-

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approved Acquirer does not intend to make an offer of employment to that employee;

provided further, that if the Respondents notify the Commission-approved Acquirer in writing of their desire to make an offer of employment to a particular Femhrt Core Employee or Femhrt Sales Employee and the Commission-approved Acquirer does not make an offer of employment to that employee within twenty (20) Business Days of the date the Commission-approved Acquirer receives such notice, the Respondents may make an offer of employment to that employee.

- I. Respondents shall provide all Femhrt Core Employees and all Femhrt Sales Employees with reasonable financial incentives to continue in their positions until the Closing Date. Such incentives shall include a continuation of all employee benefits offered by Respondents until the Closing Date for the divestiture of the Femhrt Assets has occurred, including regularly scheduled raises, bonuses, and vesting of pension benefits (as permitted by Law);

provided, however, that nothing in these requirements or in this Order requires or shall be construed to require the Respondents to terminate the employment of any employee.

- J. For a period of one (1) year from the Closing Date, Respondents shall not:
1. directly or indirectly, solicit or otherwise attempt to induce any employee of the Commission-approved Acquirer with any amount of responsibility related to Femhrt ("Femhrt Employee") to terminate his or her employment relationship with the Commission-approved Acquirer; *provided, however*, a violation of this provision will not occur by any of the following actions: (i) Respondents advertise for employees in newspapers, trade publications or other media not targeted specifically

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at the Femhrt Employees, or (ii) a Femhrt Employee contacts Respondents on his or her own initiative without any direct or indirect solicitation or encouragement from the Respondents; or

2. hire any Femhrt Employee; *provided, however*, Respondents may hire any former Femhrt Employee whose employment has been terminated by the Commission-approved Acquirer or who independently applies for employment with the Respondents, as long as such employee was not solicited in violation of the non-solicitation requirements contained herein.

- K. Prior to the Closing Date, Respondents shall secure all consents and waivers from all Third Parties that are necessary for the divestiture of the Femhrt Assets to the Commission-approved Acquirer, or for the continued research, Development, manufacture, sale, marketing or distribution of Femhrt by the Commission-approved Acquirer. In addition, prior to the Effective Date, Respondents shall execute agreements (assignable to the Commission-approved Acquirer) with all Third Parties (including, but not limited to, all Third Parties used by Respondent Pfizer in connection with the manufacture of Femhrt within the twelve (12) month period immediately prior to the Effective Date) necessary to insure that any Commission-approved Acquirer will have a supply of Femhrt: (1) in quantities; (2) at prices; (3) in a timely manner; and (4) under reasonable terms and conditions, sufficient to enable any Commission-approved Acquirer to maintain the viability and competitiveness of the Femhrt Assets. Each such agreement shall provide that no additional consents or waivers of the respective Third Party are required in order to assign the agreement to the Commission-approved Acquirer; *provided, however*, Respondents may satisfy this requirement by certifying that the Commission-approved Acquirer has executed all such agreements directly with each of the relevant Third Parties.

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For the purposes of these requirements “Third Parties” includes, but is not limited to, Duramed.

- L. For a period of one (1) year from the Closing Date, Respondents shall not market or promote Activella in the United States using the services of any Product Marketing Employee related to Femhrt. In addition, for a period of six (6) months from the Closing Date, Respondents shall not market or promote Activella in the United States using the services of any Femhrt Sales Employee.
- M. Respondents shall require, as a condition of continued employment post-divestiture, that each Femhrt Core Employee and each Femhrt Sales Employee sign a confidentiality agreement pursuant to which such employee shall be required to maintain all Confidential Business Information related to Femhrt strictly confidential, including the nondisclosure of such information to all other employees, executives or other personnel of Respondents (other than as necessary to comply with the requirements of this Order).
- N. Respondents shall provide written notification of the restrictions on the use of the Confidential Business Information related to Femhrt by Respondents’ personnel to all of Respondents’ employees who (i) are or were involved in the research, Development, manufacturing, distribution, sale or marketing of Femhrt, (ii) are involved in the research, Development, manufacturing, distribution, sale or marketing of Activella and/or (iii) may have Confidential Business Information related to Femhrt. Such notification shall be in substantially the form set forth in the Employee Notification. Respondents shall give such notification by e-mail with return receipt requested or similar transmission, and keep a file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of such notification to the Commission-approved Acquirer. Respondents shall maintain complete records of all such

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agreements at Respondents' corporate headquarters and shall provide an officer's certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall provide the Commission-approved Acquirer with copies of all certifications, notifications and reminders sent to Respondents' personnel.

- O. Upon reasonable notice and request of the Commission-approved Acquirer, Respondents shall make available to the Commission-approved Acquirer, at no greater than Direct Cost, such personnel, assistance and training as the Commission-approved Acquirer might reasonably need to transfer the Femhrt Assets, and shall continue providing such personnel, assistance and training, at the request of the Commission-approved Acquirer, until the Commission-approved Acquirer is fully validated, qualified, and approved by the FDA, and able to manufacture Femhrt independently of the Respondents.
- P. Pending divestiture of the Femhrt Assets, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Femhrt Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Femhrt Assets except for ordinary wear and tear.
- Q. Counsel for Respondents (including in-house counsel under appropriate confidentiality arrangements) may retain unredacted copies of all documents or other materials provided to the Commission-approved Acquirer and may have access to original documents (under circumstances where copies of documents are insufficient or otherwise unavailable) provided to the Commission-approved Acquirer in order to:
 - 1. comply with any Divestiture Agreement, this Order, any Law (including, without limitation, any requirement to obtain regulatory licenses or approvals), any data

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retention requirement of any applicable Governmental Entity, or any taxation requirements; or

2. defend against, respond to, or otherwise participate in any litigation, investigation, audit, process, subpoena or other proceeding relating to the divestiture or any other aspect of the Femhrt Assets or Femhrt business; *provided, however,* that Respondents may disclose such information as necessary for the purposes set forth in this Paragraph pursuant to an appropriate confidentiality order, agreement or arrangement;

provided further, however:

1. Respondents shall require those who view such unredacted documents or other materials to enter into confidentiality agreements with the Commission-approved Acquirer; *provided, however,* that Respondents shall not be deemed to have violated these requirements if the Commission-approved Acquirer withholds such agreement unreasonably; and
 2. Respondents shall use their best efforts to obtain a protective order to protect the confidentiality of such information during any adjudication.
- R. The purpose of the divestiture of the Femhrt Assets is to ensure the continued use of the Femhrt Assets in the same business in which the Femhrt Assets were engaged at the time of the announcement of the Merger, and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

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IV.**IT IS FURTHER ORDERED** that:

- A. Not later than ten (10) Business Days after the Effective Date, Respondents shall terminate the IN Apomorphine Collaboration and License Agreement with Natestch, absolutely and in good faith, in accordance with the IN Apomorphine Disengagement Agreement (which agreement shall not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of Natestch or to reduce any obligations of Respondents under such agreement), which requires, *inter alia*:
1. Respondents to grant to Natestch certain rights and immunities under Patents that are owned or licensed by Respondents as of immediately prior to the Effective Date sufficient to allow Natestch freedom to practice in the research, Development, manufacture, use, import, export, distribution and sale of IN Apomorphine in the Field of Human Sexual Dysfunction;
 2. Respondent Pharmacia to grant an exclusive (even as to Respondents) fully paid-up, royalty-free, worldwide, irrevocable license (including the right to sublicense):
 - a. to research, Develop, make, have made, use, import, export, offer for sale and sell the IN Apomorphine Collaboration Product in the Field of Human Sexual Dysfunction:
 - (1) under certain types of confidential and proprietary information and know-how (as described in the IN Apomorphine Disengagement Agreement) owned or controlled by Respondent Pharmacia

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immediately prior to the Effective Date,
including:

- (a) Products or chemical compounds;
 - (b) technical and non-technical data;
 - (c) information relating to the results of tests, assays, methods, and processes; and
 - (d) drawings, plans, diagrams, specifications, and other documents containing said information and data; to the extent that such information, know-how or data is useful or necessary for the research, Development, manufacture, testing, use or sale of IN Apomorphine in the Field of Human Sexual Dysfunction;
- (2) under Patents owned or licensed (where Respondent Pharmacia has the right to sublicense) by Respondent Pharmacia; and
- b. to research, Develop, make, have made, use, import, export, offer for sale and sell IN Apomorphine in the Field of Human Sexual Dysfunction under any Patent claiming any inventions or discoveries conceived or reduced to practice by Nastech or Respondent Pharmacia in the Development of IN Apomorphine pursuant to the IN Apomorphine Collaboration and License Agreement;
3. Respondents covenant not to join, or file, prosecute or maintain any suit, in law or equity, against IN Apomorphine Nastech Releasee(s) for the research, Development, manufacture, use, import, export, distribution, or sale of IN Apomorphine in the Field of Human Sexual Dysfunction under:

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- a. any Patents owned or licensed by Respondents as of the Effective Date that claim either the use of Apomorphine delivered Intranasally (whether used by itself or in combination with any other active ingredient) in the Field of Human Sexual Dysfunction, or a method of treating Human Sexual Dysfunction utilizing an agonist for the human dopamine 2 receptor; or
 - b. any Patents owned or licensed at any time after the Effective Date by Respondents, that claim any aspect of the research, Development, manufacture, use, import, export, distribution, or sale of the IN Apomorphine Collaboration Product in the Field of Human Sexual Dysfunction other than such Patents that claim inventions conceived by Respondents' employees after the Effective Date;
 4. Respondents covenant that 1) any Third Party assignee, transferee or licensee of the above-described Patents shall agree to provide a covenant not to sue the IN Apomorphine Nastech Releasees, at least as protective as the foregoing, as a condition of such assignment, transfer or license and 2) with respect to any Third Party rights licensed to either or both of Respondents as of or after the Effective Date, and as to which Respondents do not control the right of prosecution of any suit, legal or other action, Respondents shall not actively induce, assist or participate in any suit, legal or other action or proceeding against the IN Apomorphine Nastech Releasees, unless required by Law or contract (such contract not to be solicited or entered into for the purpose of circumventing any of the requirements of this Order).
- B. The IN Apomorphine Disengagement Agreement is incorporated by reference into this Order and made a part hereof, and any failure by Respondents to comply with any term of the IN Apomorphine Disengagement Agreement, if

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such agreement is approved by the Commission in connection with the Commission's determination to make this Order final, shall constitute a failure to comply with this Order.

- C. Respondents shall submit to Natestch, at Respondents' expense, all Confidential Business Information related to IN Apomorphine; *provided, however*, this provision shall not apply to any Confidential Business Information related to IN Apomorphine that Respondent Pfizer can demonstrate it obtained without the assistance of Respondent Pharmacia prior to the Effective Date.
- D. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with requirements of this Order) related to the research, Development, manufacturing, marketing, or sale of IN Apomorphine, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any person except Natestch. This provision shall not apply to any Confidential Business Information related to IN Apomorphine that Respondent Pfizer can demonstrate it obtained without the assistance of Respondent Pharmacia prior to the Effective Date.
- E. For a period of twelve (12) months from the execution date of the IN Apomorphine Disengagement Agreement ("the IN Apomorphine Access Period"), Respondents shall provide Natestch and any IN Apomorphine Natestch Partner with the opportunity to enter into employment contracts with the Product Marketing Employees, Product Manufacturing Employees, and Product Research and Development Employees related to IN Apomorphine ("IN Apomorphine Core Employees") such employment contract to be for the purposes of the research, Development, distribution, manufacturing, marketing or sale of IN Apomorphine.
- F. Not later than ten (10) Business Days after the date this Order becomes final, Respondents shall provide Natestch the Product

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Employee Information related to the IN Apomorphine Core Employees. Failure by Respondents to provide the Product Employee Information for any relevant employee within the time provided herein shall extend the IN Apomorphine Access Period with respect to that employee in an amount equal to the delay.

- G. During the IN Apomorphine Access Period, Respondents shall not interfere with the hiring or employing by Natestch, or any IN Apomorphine Natestch Partner, of IN Apomorphine Core Employees, and shall remove any impediments within the control of Respondents that may deter these employees from accepting employment with Natestch or any IN Apomorphine Natestch Partner, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by Natestch or any IN Apomorphine Natestch Partner. In addition, Respondents shall not make any counteroffer to a IN Apomorphine Core Employee who receives a written offer of employment from Natestch or any IN Apomorphine Natestch Partner;

provided, however, that these requirements shall not prohibit the Respondents from making offers of employment to or employing any IN Apomorphine Core Employee during the IN Apomorphine Access Period where Natestch or any IN Apomorphine Natestch Partner has notified the Respondents in writing that Natestch or any IN Apomorphine Natestch Partner does not intend to make an offer of employment to that employee.

provided further, that if the Respondents notify Natestch or any IN Apomorphine Natestch Partner in writing of their desire to make an offer of employment to a particular IN Apomorphine Core Employee and Natestch or any IN Apomorphine Natestch Partner does not make an offer of employment to that employee within twenty (20) Business Days of the date

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Nastech receives such notice, the Respondents may make an offer of employment to that employee.

- H. For a period of one (1) year from the Closing Date, Respondents shall not:
1. directly or indirectly, solicit or otherwise attempt to induce any employee of Nastech or any IN Apomorphine Nastech Partner with any amount of responsibility related to IN Apomorphine (“IN Apomorphine Employee”) to terminate his or her employment relationship with the Nastech or the IN Apomorphine Partner; *provided, however,* a violation of this provision will not occur by any of the following actions: (i) Respondents advertise for employees in newspapers, trade publications or other media not targeted specifically at the IN Apomorphine Employees, or (ii) an IN Apomorphine Employee contacts Respondents on his or her own initiative without any direct or indirect solicitation or encouragement from the Respondents; or
 2. hire any IN Apomorphine Employee; *provided, however,* Respondents may hire any former IN Apomorphine Employee whose employment has been terminated by Nastech or any IN Apomorphine Nastech Partner or who independently applies for employment with the Respondents, as long as such employee was not solicited in violation of the non-solicitation requirements contained herein.
- I. Respondents shall require, as a condition of continued employment post-divestiture, that each IN Apomorphine Core Employee sign a confidentiality agreement pursuant to which such employee shall be required to maintain all Confidential Business Information related to IN Apomorphine strictly confidential, including the nondisclosure of such information to all other employees, executives or other personnel of

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Respondents (other than as necessary to comply with the requirements of this Order).

- J. Respondents shall provide written notification of the restrictions on the use of the Confidential Business Information related to IN Apomorphine by Respondents' personnel to all of Respondents' employees who (i) are or were involved in the research, Development, manufacturing, distribution, sale or marketing of IN Apomorphine, (ii) are involved in the research, Development, manufacturing, distribution, sale or marketing of Viagra and/or (iii) may have Confidential Business Information related to IN Apomorphine. Such notification shall be in substantially the form set forth in the Employee Notification. Respondents shall give such notification by e-mail with return receipt requested or similar transmission, and keep a file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of such notification to Natestch. Respondents shall maintain complete records of all such agreements at Respondents' corporate headquarters and shall provide an officer's certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall provide Natestch with copies of all certifications, notifications and reminders sent to Respondents' personnel.
- K. Respondents shall divest all their Ownership Interest in Natestch, including, but not limited to, all of the shares of Natestch common stock owned by Respondent Pharmacia, in accordance with the IN Apomorphine Disengagement Agreement.
- L. Respondents shall not, directly or indirectly:
1. exercise dominion or control over, or otherwise seek to influence, the management, direction or supervision of the business of Natestch, including, but not limited to, any participation in the formulation, determination or direction of any business decisions of Natestch;

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2. propose corporate action requiring the approval of Nastech shareholders;
3. nominate candidates for, or in any other way seek to obtain or obtain representation on, the Board of Directors of Nastech;
4. have any of their directors, officers or employees serve simultaneously as an officer or director of Nastech;
5. exercise any voting rights attached to any Ownership Interest in Nastech; *provided, however*, that in any matter to be voted on by the shareholders of Nastech, Respondents shall cast the votes related to their Ownership Interest in each class of Nastech stock in an amount and manner proportional to the vote of all other votes cast by other Nastech shareholders entitled to vote on such matter;
6. seek or obtain access to any confidential, proprietary, or other non-public information of Nastech relating to the research or Development of IN Apomorphine and not otherwise necessary to comply with this Order; *provided, however*, that this shall not be construed to prohibit Respondents from seeking or obtaining discovery in any litigation or other proceeding to resolve a claim between Respondents and Nastech in accordance with the procedures of the forum before which the dispute is pending. With respect to any such discovery, Respondents shall enter into a protective order to prevent any information from being used for any purpose other than providing legal representation or evidence as to the particular dispute and to prevent any information from being disclosed to any person(s) not necessary to the resolution of such dispute; or

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7. take any action or omit to take any action in a manner that would be incompatible with the status of Respondents as passive investors in Nastech.

The requirements of this Paragraph shall continue and remain in effect so long as Respondents retain any Ownership Interest in Nastech.

- M. For a period commencing on the date this Order becomes final and continuing for ten (10) years, Respondents shall not, without providing advance written notification to the Commission, acquire, directly or indirectly, through subsidiaries or otherwise, any additional or greater Ownership Interest in Nastech than that which exists as of the Closing Date, or any other interest(s), in whole or in part, in any Patents owned by Nastech and related to IN Apomorphine. Said notification shall be given on the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations as amended (hereinafter referred to as “the Notification”), and shall be prepared and transmitted in accordance with the requirements of that part, except that no filing fee will be required for any such Notification, Notification shall be filed with the Secretary of the Commission, Notification need not be made to the United States Department of Justice, and Notification is required only of the Respondents and not of any other party to the transaction. Respondents shall provide two (2) complete copies (with all attachments and exhibits) of the Notification to the Commission at least thirty (30) days prior to consummating any such transaction (hereinafter referred to as the “first waiting period”). If, within the first waiting period, representatives of the Commission make a written request for additional information or documentary material (within the meaning of 16 C.F.R. § 803.20), Respondents shall not consummate the transaction until thirty (30) days after substantially complying with such request. Early termination of the waiting periods in this Paragraph may be requested and,

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where appropriate, granted by letter from the Bureau of Competition; *provided, however*, that prior notification shall not be required by this Paragraph for a transaction for which notification is required to be made, and has been made, pursuant to Section 7A of the Clayton Act, 15 U.S.C. § 18a.

- N. The purpose of Paragraph IV of this Order is to ensure the continuation of IN Apomorphine research and Development for use in the treatment of Human Sexual Dysfunction and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

V.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) Business Days after the Effective Date, Respondents shall divest the D2 Agonist 774 Assets, absolutely and in good faith, to Neurocrine pursuant to and in accordance with the D2 Agonist 774 License Agreement (which agreement shall not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of Neurocrine or to reduce any obligations of Respondents under such agreement), and such agreement, if it becomes the Divestiture Agreement for the D2 Agonist 774 Assets, is incorporated by reference into this Order and made a part hereof. If Respondents do not divest the D2 Agonist 774 Assets to Neurocrine within ten (10) Business Days after the Effective Date, the Commission may appoint a Divestiture Trustee to divest the D2 Agonist 774 Assets;

provided, however, that if Respondents have divested the D2 Agonist 774 Assets to Neurocrine prior to the date this Order becomes final, and if, at the time the Commission determines to make this Order final, the Commission notifies Respondents that Neurocrine is not an acceptable purchaser of the D2

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Agonist 774 Assets, or that the manner in which the divestiture was accomplished is not acceptable, then Respondents shall immediately rescind the transaction with Neurocrine and shall divest the D2 Agonist 774 Assets within six (6) months from the date the Order becomes final, absolutely and in good faith, at no minimum price, to a Commission-approved Acquirer and only in a manner that receives the prior approval of the Commission.

- B. Any Divestiture Agreement that has been approved by the Commission between Respondents (or a Divestiture Trustee) and a Commission-approved Acquirer of the D2 Agonist 774 Assets shall be deemed incorporated into this Order, and any failure by Respondents to comply with any term of such Divestiture Agreement related to the D2 Agonist 774 Assets shall constitute a failure to comply with this Order.
- C. Respondents shall include in any Divestiture Agreement related to the D2 Agonist 774 Assets the following provisions:
 - 1. Respondents shall Contract Manufacture and deliver to the Commission-approved Acquirer, in a timely manner and under reasonable terms and conditions, a supply of D2 Agonist 774, at no greater than Respondents' Supply Cost, for a period of time sufficient to allow the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to become certified by the FDA to manufacture D2 Agonist 774 independently of Respondents.
 - 2. After Respondents commence delivery of D2 Agonist 774 to the Commission-approved Acquirer pursuant to a Divestiture Agreement and for the term of the Contract Manufacture related to D2 Agonist 774, Respondents will make inventory of D2 Agonist 774 available for sale or resale only to the Commission-approved Acquirer; *provided, however*, Respondents may make or have made a supply of D2 Agonist 774 for their own sale or resale

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solely for use in Fields outside the Field of Human Sexual Dysfunction;

3. Respondents shall make representations and warranties to the Commission-approved Acquirer that the D2 Agonist 774 supplied through Contract Manufacture pursuant to the Divestiture Agreement meets all FDA specifications and other specifications for the compound consistent with current good manufacturing practices. Respondents shall agree to indemnify, defend and hold the Commission-approved Acquirer harmless from any and all suits, claims, actions, demands, liabilities, expenses or losses alleged to result from the failure of the D2 Agonist 774 supplied to the Commission-approved Acquirer pursuant to the Divestiture Agreement by the Respondents to meet such specifications. This obligation shall be contingent upon the Commission-approved Acquirer giving Respondents prompt, adequate notice of such claim and cooperating fully in the defense of such claim. The Divestiture Agreement shall be consistent with the obligations assumed by Respondents under this Order; *provided, however*, Respondents may reserve the right to control the defense of any such litigation, including the right to settle the litigation, so long as such settlement is consistent with the Respondents' responsibilities to supply D2 Agonist 774 in the manner required by this Order; *provided further, however*, this obligation shall not require Respondents to be liable for any negligent act or omission of the Commission-approved Acquirer or for any representations and warranties, express or implied, made by the Commission-approved Acquirer that exceed the representations and warranties made by the Respondents to the Commission-approved Acquirer.
4. Respondents shall make representations and warranties to the Commission-approved Acquirer that Respondents will hold harmless and indemnify the Commission-approved Acquirer for any liabilities or loss of profits

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resulting from the failure by Respondents to deliver D2 Agonist 774 in a timely manner as required by the Divestiture Agreement unless Respondents can demonstrate that their failure was entirely beyond the control of the Respondents and in no part the result of negligence or willful misconduct by Respondents.

5. During the term of the Contract Manufacture between Respondents and the Commission-approved Acquirer, upon request of the Commission-approved Acquirer or Interim Monitor (if applicable), Respondents shall make available to the Commission-approved Acquirer or the Interim Monitor all records that relate to the manufacture of D2 Agonist 774.
6. Respondents shall commit that, upon reasonable notice and a request from the Commission-approved Acquirer to the Respondents, Respondents shall provide in a timely manner at no greater than Direct Cost:
 - a. assistance and advice to enable the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to obtain all necessary permits and approvals from any Agency or Governmental Entity to manufacture and sell D2 Agonist 774;
 - b. assistance to the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to manufacture D2 Agonist 774 in substantially the same manner and quality employed or achieved by Respondent Pharmacia; and
 - c. consultation with knowledgeable employees of Respondents and training, at the request of the Commission-approved Acquirer and at a facility chosen by the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee

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of the Commission-approved Acquirer) receives certification from the FDA for the manufacture of D2 Agonist 774 sufficient to satisfy management of the Commission-approved Acquirer that its personnel (or the Designee's personnel) are adequately trained in the manufacture of D2 Agonist 774.

- D. Respondents shall submit to the Commission-approved Acquirer, at Respondents' expense, all Confidential Business Information related to D2 Agonist 774; *provided, however*, this provision shall not apply to any Confidential Business Information related to D2 Agonist 774 that Respondent Pfizer can demonstrate it obtained without the assistance of Respondent Pharmacia prior to the Effective Date.
- E. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with requirements of this Order) related to the research, Development, manufacturing, marketing, or sale of D2 Agonist 774 in the Field of Human Sexual Dysfunction, and shall not disclose or convey such Confidential Business Information, directly or indirectly, as it relates to the Field of Human Sexual Dysfunction, to any person except the Commission-approved Acquirer; *provided, however*, this provision shall not apply to any Confidential Business Information related to D2 Agonist 774 that Respondent Pfizer can demonstrate it obtained without the assistance of Respondent Pharmacia prior to the Effective Date.
- F. For a period of eighteen (18) months from the Closing Date ("the D2 Agonist 774 Access Period"), Respondents shall provide the Commission-approved Acquirer with the opportunity to enter into employment contracts with the Product Manufacturing Employees, Product Marketing Employees, and Product Research and Development Employees related to D2 Agonist 774 ("D2 Agonist 774 Core Employees").

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- G. Respondents shall provide any Proposed Acquirer with the opportunity to enter into employment contracts with the D2 Agonist 774 Core Employees in connection with the divestiture of the D2 Agonist 774 Assets; *provided, however*, that any such employment contracts entered into prior to the Closing Date shall be contingent upon approval by the Commission of the agreements relating to the D2 Agonist 774 Assets (*i.e.*, those agreements proposed by Respondents (or the Divestiture Trustee) to the Commission) as the Divestiture Agreements for the D2 Agonist 774 Assets.
- H. Not later than twenty-five (25) Business Days after the execution date of any proposed Divestiture Agreement related to D2 Agonist 774 Assets, Respondents shall provide the Commission-approved Acquirer or the Proposed Acquirer the Product Employee Information related to the D2 Agonist 774 Core Employees. Failure by Respondents to provide the Product Employee Information for any relevant employee within the time provided herein shall extend the D2 Agonist 774 Access Period with respect to that employee in an amount equal to the delay.
- I. During the D2 Agonist 774 Access Period, Respondents shall not interfere with the hiring or employing by the Commission-approved Acquirer of D2 Agonist 774 Core Employees, and shall remove any impediments within the control of Respondents that may deter these employees from accepting employment with the Commission-approved Acquirer, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the Commission-approved Acquirer. In addition, Respondents shall not make any counteroffer to a D2 Agonist 774 Core Employee who receives a written offer of employment from the Commission-approved Acquirer;

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provided, however, that these requirements shall not prohibit the Respondents from making offers of employment to or employing any D2 Agonist 774 Core Employee during the D2 Agonist 774 Access Period where the Commission-approved Acquirer has notified the Respondents in writing that the Commission-approved Acquirer does not intend to make an offer of employment to that employee;

provided further, that if the Respondents notify the Commission-approved Acquirer in writing of their desire to make an offer of employment to a particular D2 Agonist 774 Core Employee and the Commission-approved Acquirer does not make an offer of employment to that employee within twenty (20) Business Days of the date the Commission-approved Acquirer receives such notice, the Respondents may make an offer of employment to that employee.

- J. Respondents shall provide all D2 Agonist 774 Core Employees with reasonable financial incentives to continue in their positions until the Closing Date. Such incentives shall include a continuation of all employee benefits offered by Respondents until the Closing Date for the divestiture of the D2 Agonist 774 Assets has occurred, including regularly scheduled raises, bonuses, and vesting of pension benefits (as permitted by Law). In addition to the foregoing, Respondents shall provide to each D2 Agonist 774 Core Employee who accepts employment with the Commission-approved Acquirer, an incentive equal to three (3) months of such employee's base annual salary to be paid upon the employee's completion of one (1) year of employment with the Commission-approved Acquirer;

provided, however, that nothing in these requirements or in this Order requires or shall be construed to require the Respondents to terminate the employment of any employee.

- K. For a period of one (1) year from the Closing Date, Respondents shall not:

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1. directly or indirectly, solicit or otherwise attempt to induce any employee of the Commission-approved Acquirer with any amount of responsibility related to D2 Agonist 774 (“D2 Agonist 774 Employee”) to terminate his or her employment relationship with the Commission-approved Acquirer; *provided, however*, a violation of this provision will not occur by any of the following actions: (i) Respondents advertise for employees in newspapers, trade publications or other media not targeted specifically at the D2 Agonist 774 Employees, or (ii) a D2 Agonist 774 Employee contacts Respondents on his or her own initiative without any direct or indirect solicitation or encouragement from the Respondents; or
 2. hire any D2 Agonist 774 Employee; *provided, however*, Respondents may hire any former D2 Agonist 774 Employee whose employment has been terminated by the Commission-approved Acquirer or who independently applies for employment with the Respondents, as long as such employee was not solicited in violation of the non-solicitation requirements contained herein.
- L. Prior to the Closing Date, Respondents shall secure all consents and waivers from all Third Parties that are necessary for the divestiture of the D2 Agonist 774 Assets to the Commission-approved Acquirer, or for the continued research, Development, manufacture, sale, marketing or distribution of D2 Agonist 774 for use in the Field of Human Sexual Dysfunction by the Commission-approved Acquirer.
- M. Respondents shall require, as a condition of continued employment post-divestiture, that each D2 Agonist 774 Core Employee sign a confidentiality agreement pursuant to which such employee shall be required to maintain all Confidential Business Information related to D2 Agonist 774 strictly confidential, including the nondisclosure of such information to all other employees, executives or other

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personnel of Respondents (other than as necessary to comply with the requirements of this Order).

- N. Respondents shall provide written notification of the restrictions on the use of the Confidential Business Information related to D2 Agonist 774 by Respondents' personnel to all of Respondents' employees who (i) are or were involved in the research, Development, manufacturing, distribution, sale or marketing of D2 Agonist 774 (ii) are involved in the research, Development, manufacturing, distribution, sale or marketing of Viagra and/or (iii) may have Confidential Business Information related to D2 Agonist 774. Such notification shall be in substantially the form set forth in the Employee Notification. Respondents shall give such notification by e-mail with return receipt requested or similar transmission, and keep a file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of such notification to the Commission-approved Acquirer. Respondents shall maintain complete records of all such agreements at Respondents' corporate headquarters and shall provide an officer's certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall provide the Commission-approved Acquirer with copies of all certifications, notifications and reminders sent to Respondents' personnel.
- O. Upon reasonable notice and request by the Commission-approved Acquirer, Respondents shall make available to the Commission-approved Acquirer, at no greater than Direct Cost, such personnel, assistance and training as the Commission-approved Acquirer might reasonably need to transfer the D2 Agonist 774 Assets, and shall continue providing such personnel, assistance and training, at the request of the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) is fully validated,

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qualified, and approved by the FDA, and able to manufacture D2 Agonist 774 independently of the Respondents.

- P. Pending divestiture of the D2 Agonist 774 Assets, Respondents shall take such actions as are necessary to maintain the viability and marketability of the D2 Agonist 774 Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the D2 Agonist 774 Assets except for ordinary wear and tear.
- Q. Counsel for Respondents (including in-house counsel under appropriate confidentiality arrangements) may retain unredacted copies of all documents or other materials provided to the Commission-approved Acquirer and may have access to original documents (under circumstances where copies of documents are insufficient or otherwise unavailable) provided to the Commission-approved Acquirer in order to:
1. comply with any Divestiture Agreement, this Order, any Law (including, without limitation, any requirement to obtain regulatory licenses or approvals), any data retention requirement of any applicable Governmental Entity, or any taxation requirements; or
 2. defend against, respond to, or otherwise participate in any litigation, investigation, audit, process, subpoena or other proceeding relating to the divestiture or any other aspect of the D2 Agonist 774 Assets or D2 Agonist 774 business; *provided, however*, that Respondents may disclose such information as necessary for the purposes set forth in this Paragraph pursuant to an appropriate confidentiality order, agreement or arrangement;

provided further, however:

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1. Respondents shall require those who view such unredacted documents or other materials to enter into confidentiality agreements with the Commission-approved Acquirer; *provided, however*, that Respondents shall not be deemed to have violated these requirements if the Commission-approved Acquirer withholds such agreement unreasonably; and
 2. Respondents shall use their best efforts to obtain a protective order to protect the confidentiality of such information during any adjudication.
- R. Respondents may retain copies of all documents or other materials provided to the Commission-approved Acquirer to the extent that such documents or materials relate to D2 Agonist 774 for use outside the Field of Human Sexual Dysfunction. Respondents shall redact such documents and materials to be retained to remove all information that is primarily related to D2 Agonist 774 for use in the Field of Human Sexual Dysfunction and shall not retain such information other than as otherwise provided for in this Order.
- S. The purpose of the divestiture of the D2 Agonist 774 Assets is to ensure the continued Development of the D2 Agonist 774 Assets for use in the Field of Human Sexual Dysfunction, and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

VI.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) Business Days after the Effective Date, Respondents shall amend the Deramaxx License Agreement in accordance with the Deramaxx Amended License Agreement (which agreement shall not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order

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shall be construed to reduce any rights or benefits of Novartis Animal Health or to reduce any obligations of Respondents under such agreement).

- B. The Deramaxx Amended License Agreement is incorporated by reference into this Order and made a part hereof, and any failure by Respondents to comply with any term of the Deramaxx Amended License Agreement, if such agreement is approved by the Commission in connection with the Commission's determination to make this Order final shall constitute a failure to comply with this Order.
- C. Respondents shall submit to Novartis Animal Health, at Respondents' expense, all Confidential Business Information related to the marketing or sale of Deramaxx; *provided, however*, this provision shall not apply to any Confidential Business Information related to the marketing or sale of Deramaxx that Respondent Pfizer can demonstrate it obtained without the assistance of Respondent Pharmacia prior to the Effective Date.
- D. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with requirements of this Order) related to the marketing or sale of Deramaxx, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any person except Novartis Animal Health; *provided, however*, this provision shall not apply to any Confidential Business Information related to the marketing or sale of Deramaxx that Respondent Pfizer can demonstrate it obtained without the assistance of Respondent Pharmacia prior to the Effective Date.
- E. Respondents shall require, as a condition of continued employment post-divestiture, that each employee with access to any Confidential Business Information related to the marketing or sale of Deramaxx (including those employees with access to market research data, actual sales data, sales

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forecasts, production orders, or pricing information) sign a confidentiality agreement pursuant to which such employee shall be required to maintain all such Confidential Business Information strictly confidential, including the nondisclosure of such information to all other employees, executives or other personnel of Respondents (other than as necessary to comply with the requirements of this Order).

- F. Respondents shall provide written notification of the restrictions on the use of the Confidential Business Information related to Deramaxx by Respondents' personnel to all of Respondents' employees who (i) are or were involved in the manufacturing, distribution, sale or marketing of Deramaxx, (ii) are involved in the sale or marketing of Rimadyl and/or (iii) may have Confidential Business Information related to the marketing or sale of Deramaxx. Such notification shall be in substantially the form set forth in the Employee Notification. Respondents shall give such notification by e-mail with return receipt requested or similar transmission, and keep a file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of such notification to Novartis Animal Health. Respondents shall maintain complete records of all such agreements at Respondents' corporate headquarters and shall provide an officer's certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall provide Novartis Animal Health with copies of all certifications, notifications and reminders sent to Respondents' personnel.
- G. For a period commencing on the date this Order becomes final and continuing for ten (10) years, Respondents shall not, without providing advance written notification to the Commission, terminate the Deramaxx Amended License Agreement. Said notification shall be given on the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations as amended (hereinafter referred to as "the Notification"), and

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shall be prepared and transmitted in accordance with the requirements of that part, except that no filing fee will be required for any such Notification, Notification shall be filed with the Secretary of the Commission, Notification need not be made to the United States Department of Justice, and Notification is required only of the Respondents and not of any other party to the transaction. Respondents shall provide two (2) complete copies (with all attachments and exhibits) of the Notification to the Commission at least thirty (30) days prior to terminating the Deramaxx Amended License Agreement (hereinafter referred to as the “first waiting period”). If, within the first waiting period, representatives of the Commission make a written request for additional information or documentary material (within the meaning of 16 C.F.R. § 803.20), Respondents shall not terminate Deramaxx Amended License Agreement until thirty (30) days after substantially complying with such request. Early termination of the waiting periods in this Paragraph may be requested and, where appropriate, granted by letter from the Bureau of Competition; *provided, however*, that prior notification shall not be required by this Paragraph for a transaction for which notification is required to be made, and has been made, pursuant to Section 7A of the Clayton Act, 15 U.S.C. § 18a.

- H. Counsel for Respondents (including in-house counsel under appropriate confidentiality arrangements) may retain unredacted copies of all documents or other materials provided to Novartis Animal Health and may have access to original documents (under circumstances where copies of documents are insufficient or otherwise unavailable) provided to the Novartis Animal Health in order to:
 - 1. comply with any Divestiture Agreement, this Order, any Law (including, without limitation, any requirement to obtain regulatory licenses or approvals), any data retention requirement of any applicable Governmental Entity, or any taxation requirements; or

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2. defend against, respond to, or otherwise participate in any litigation, investigation, audit, process, subpoena or other proceeding relating to Deramaxx; *provided, however*, that Respondents may disclose such information as necessary for the purposes set forth in this Paragraph pursuant to an appropriate confidentiality order, agreement or arrangement;

provided further, however:

1. Respondents shall require those who view such unredacted documents or other materials to enter into confidentiality agreements with Novartis Animal Health; *provided, however*, that Respondents shall not be deemed to have violated this requirement if Novartis Animal Health withholds such agreement unreasonably; and
 2. Respondents shall use their best efforts to obtain a protective order to protect the confidentiality of such information during any adjudication.
- I. The purpose of Paragraph VI of this Order is to ensure the continued marketing and sale of Deramaxx independently of Respondents and for the same purposes which it was marketed and sold by Novartis Animal Health at the time of the announcement of the Merger, and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

VII.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) Business Days after the Effective Date, Respondents shall divest the Cow Mastitis Products Assets, absolutely and in good faith, to Schering-Plough pursuant to and in accordance with the Cow Mastitis Products Asset Purchase Agreement (which agreement shall

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not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of Schering-Plough or to reduce any obligations of Respondents under such agreement), and such agreement, if approved by the Commission as the Divestiture Agreement for the Cow Mastitis Products Assets, is incorporated by reference into this Order and made part hereof. If Respondents do not divest the Cow Mastitis Products Assets to Schering-Plough within ten (10) Business Days after the Effective Date, the Commission may appoint a Divestiture Trustee to divest the Cow Mastitis Products Assets;

provided, however, that if Respondents have divested the Cow Mastitis Products Assets to Schering-Plough prior to the date this Order becomes final, and if, at the time the Commission determines to make this Order final, the Commission notifies Respondents that Schering-Plough is not an acceptable purchaser of the Cow Mastitis Products Assets, or that the manner in which the divestiture was accomplished is not acceptable, then Respondents shall immediately rescind the transaction with Schering-Plough and shall divest the Cow Mastitis Products Assets within six (6) months from the date the Order becomes final, absolutely and in good faith, at no minimum price, to a Commission-approved Acquirer and only in a manner that receives the prior approval of the Commission.

- B. Any Divestiture Agreement that has been approved by the Commission between Respondents (or a Divestiture Trustee) and a Commission-approved Acquirer of the Cow Mastitis Products Assets shall be deemed incorporated into this Order, and any failure by Respondents to comply with any term of such Divestiture Agreement related to the Cow Mastitis Products Assets shall constitute a failure to comply with this Order.

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- C. Upon reasonable notice and a request from the Commission-approved Acquirer to the Respondents, Respondents shall provide in a timely manner, at no greater than Direct Cost:
1. assistance and advice to enable the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to obtain all necessary permits and approvals from any Agency or Governmental Entity to manufacture and sell Cow Mastitis Products;
 2. assistance to the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to manufacture Cow Mastitis Products in substantially the same manner and quality employed or achieved by GlaxoSmithKline; and
 3. consultation with knowledgeable employees of Respondents and training, at the request of the Commission-approved Acquirer and at a facility chosen by the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) obtains all FDA approvals necessary to manufacture the Cow Mastitis Products independently of GlaxoSmithKline and sufficient to satisfy management of the Commission-approved Acquirer that its personnel (or the Designee's personnel) are adequately trained in the manufacture of Cow Mastitis Products.
- D. Respondents shall submit to the Commission-approved Acquirer, at Respondents' expense, all Confidential Business Information related to Cow Mastitis Products; *provided, however*, this provision shall not apply to any Confidential Business Information related to Cow Mastitis Products that Respondent Pharmacia can demonstrate it obtained without the assistance of Respondent Pfizer prior to the Effective Date.

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- E. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with requirements of this Order) related to the research, Development, manufacturing, marketing, or sale of Cow Mastitis Products, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any person except the Commission-approved Acquirer. This provision shall not apply to any Confidential Business Information related to Cow Mastitis Products that Respondent Pharmacia can demonstrate it obtained without the assistance of Respondent Pfizer prior to the Effective Date.
- F. For a period of six (6) months from the Closing Date (“the Cow Mastitis Products Access Period”), Respondents shall provide the Commission-approved Acquirer with the opportunity to enter into employment contracts with the Product Marketing Employees related to Cow Mastitis Products (“Cow Mastitis Products Core Employees”).
- G. Respondents shall provide any Proposed Acquirer with the opportunity to enter into employment contracts with the Cow Mastitis Products Core Employees in connection with the divestiture of the Cow Mastitis Products Assets; *provided, however*, that any such employment contracts entered into prior to the Closing Date shall be contingent upon approval by the Commission of the agreements relating to the Cow Mastitis Products Assets (*i.e.*, those agreements proposed by Respondents (or the Divestiture Trustee) to the Commission) as the Divestiture Agreements for the Cow Mastitis Products Assets.
- H. Not later than twenty-five (25) Business Days after the execution date of any proposed Divestiture Agreement related to the Cow Mastitis Products Assets, Respondents shall provide the Commission-approved Acquirer or the Proposed Acquirer the Product Employee Information related to the Cow Mastitis Products Core Employees. Failure by Respondents to provide the Product Employee

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Information for any relevant employee within the time provided herein shall extend the Cow Mastitis Products Access Period with respect to that employee in an amount equal to the delay.

- I. During the Cow Mastitis Products Access Period, Respondents shall not interfere with the hiring or employing by the Commission-approved Acquirer of Cow Mastitis Products Core Employees, and shall remove any impediments within the control of Respondents that may deter these employees from accepting employment with the Commission-approved Acquirer, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the Commission-approved Acquirer. In addition, Respondents shall not make any counteroffer to a Cow Mastitis Products Core Employee who receives a written offer of employment from the Commission-approved Acquirer;

provided, however, that these requirements shall not prohibit the Respondents from making offers of employment to or employing any Cow Mastitis Products Core Employee during the Cow Mastitis Products Access Period where the Commission-approved Acquirer has notified the Respondents in writing that the Commission-approved Acquirer does not intend to make an offer of employment to that employee;

provided further, that if the Respondents notify the Commission-approved Acquirer in writing of their desire to make an offer of employment to a particular Cow Mastitis Products Core Employee and the Commission-approved Acquirer does not make an offer of employment to that employee within twenty (20) Business Days of the date the Commission-approved Acquirer receives such notice, the Respondents may make an offer of employment to that employee.

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- J. Respondents shall provide all Cow Mastitis Products Core Employees with reasonable financial incentives to continue in their positions until the Closing Date. Such incentives shall include a continuation of all employee benefits offered by Respondents until the Closing Date for the divestiture of the Cow Mastitis Products Assets has occurred, including regularly scheduled raises, bonuses, and vesting of pension benefits (as permitted by Law);

provided, however, that nothing in these requirements or in this Order requires or shall be construed to require the Respondents to terminate the employment of any employee.

- K. For a period of one (1) year from the Closing Date, Respondents shall not:
1. directly or indirectly, solicit or otherwise attempt to induce any employee of the Commission-approved Acquirer with any amount of responsibility related to Cow Mastitis Products (“Cow Mastitis Products Employee”) to terminate his or her employment relationship with the Commission-approved Acquirer; *provided, however,* a violation of this provision will not occur by any of the following actions: (i) Respondents advertise for employees in newspapers, trade publications or other media not targeted specifically at the Cow Mastitis Products Employees, or (ii) a Cow Mastitis Products Employee contacts Respondents on his or her own initiative without any direct or indirect solicitation or encouragement from the Respondents; or
 2. hire any Cow Mastitis Products Employee; *provided, however,* Respondents may hire any former Cow Mastitis Products Employee whose employment has been terminated by the Commission-approved Acquirer or who independently applies for employment with the Respondents, as long as such employee was not solicited

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in violation of the non-solicitation requirements contained herein.

- L. Prior to the Closing Date, Respondents shall secure all consents and waivers from all Third Parties that are necessary for the divestiture of the Cow Mastitis Products Assets to the Commission-approved Acquirer, or for the continued research, Development, manufacture, sale, marketing or distribution of Cow Mastitis Products by the Commission-approved Acquirer. In addition, prior to the Effective Date, Respondents shall execute agreements (assignable to the Commission-approved Acquirer) with all Third Parties (including, but not limited to, all Third Parties used by Respondent Pfizer in connection with the manufacture of Cow Mastitis Products within the twelve (12) month period immediately prior to the Effective Date) necessary to insure that any Commission-approved Acquirer will have a supply of Cow Mastitis Products: (1) in quantities; (2) at prices; (3) in a timely manner; and (4) under reasonable terms and conditions sufficient to enable any Commission-approved Acquirer to maintain the viability and competitiveness of the Cow Mastitis Products Assets. Each such agreement shall provide that no additional consents or waivers of the respective Third Party are required in order to assign the agreement to the Commission-approved Acquirer; *provided, however*, Respondents may satisfy this requirement by certifying that the Commission-approved Acquirer has executed all such agreements directly with each of the relevant Third Parties. For the purposes of these requirements, "Third Parties" includes, but is not limited to, Hanford and GlaxoSmithKline.
- M. For a period of one (1) year from the Closing Date, Respondents shall not market or promote the Pharmacia Cow Mastitis Products in the United States using the services of any Product Marketing Employee related to the Cow Mastitis Products.
- N. Respondents shall require, as a condition of continued

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employment post-divestiture, that each Cow Mastitis Products Core Employee sign a confidentiality agreement pursuant to which such employee shall be required to maintain all Confidential Business Information related to Cow Mastitis Products strictly confidential, including the nondisclosure of such information to all other employees, executives or other personnel of Respondents (other than as necessary to comply with the requirements of this Order).

- O. Respondents shall provide written notification of the restrictions on the use of the Confidential Business Information related to Cow Mastitis Products by Respondents' personnel to all of Respondents' employees who (i) are or were involved in the research, Development, manufacturing, distribution, sale or marketing of Cow Mastitis Products, (ii) are involved in the research, Development, manufacturing, distribution, sale or marketing of the Pharmacia Cow Mastitis Products and/or (iii) may have Confidential Business Information related to the Cow Mastitis Products. Such notification shall be in substantially the form set forth in the Employee Notification. Respondents shall give such notification by e-mail with return receipt requested or similar transmission, and keep a file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of such notification to the Commission-approved Acquirer. Respondents shall maintain complete records of all such agreements at Respondents' corporate headquarters and shall provide an officer's certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall provide the Commission-approved Acquirer with copies of all certifications, notifications and reminders sent to Respondents' personnel.
- P. Upon reasonable notice and request by the Commission-approved Acquirer, Respondents shall make available to the Commission-approved Acquirer, at no greater than Direct Cost,

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such personnel, assistance and training as the Commission-approved Acquirer might reasonably need to transfer the Cow Mastitis Products Assets, and shall continue providing such personnel, assistance and training, at the request of the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) is fully validated, qualified, and approved by the FDA, and able to manufacture Cow Mastitis Products independently of GlaxoSmithKline and Respondents.

- Q. Pending divestiture of the Cow Mastitis Products Assets, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Cow Mastitis Products Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Cow Mastitis Products Assets except for ordinary wear and tear.
- R. Counsel for Respondents (including in-house counsel under appropriate confidentiality arrangements) may retain unredacted copies of all documents or other materials provided to the Commission-approved Acquirer and may have access to original documents (under circumstances where copies of documents are insufficient or otherwise unavailable) provided to the Commission-approved Acquirer in order to:
1. comply with any Divestiture Agreement, this Order, any Law (including, without limitation, any requirement to obtain regulatory licenses or approvals), any data retention requirement of any applicable Governmental Entity, or any taxation requirements; or
 2. defend against, respond to, or otherwise participate in any litigation, investigation, audit, process, subpoena or other proceeding relating to the divestiture or any other aspect of the Cow Mastitis Products Assets or Cow Mastitis Products business; *provided, however*, that Respondents may disclose such information as necessary for the purposes set forth in this Paragraph pursuant to an

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appropriate confidentiality order, agreement or arrangement;

provided further, however:

1. Respondents shall require those who view such unredacted documents or other materials to enter into confidentiality agreements with the Commission-approved Acquirer; *provided, however*, that Respondents shall not be deemed to have violated these requirements if the Commission-approved Acquirer withholds such agreement unreasonably; and
 2. Respondents shall use their best efforts to obtain a protective order to protect the confidentiality of such information during any adjudication.
- S. The purpose of the divestiture of the Cow Mastitis Products Assets is to ensure the continued use of the Cow Mastitis Products Assets in the same business in which the Cow Mastitis Products Assets were engaged at the time of the announcement of the Merger, and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

VIII.

IT IS FURTHER ORDERED that:

- A. Not later than thirty (30) Business Days after the Effective Date, Respondents shall divest the Halls Assets (which are a part of the ongoing global Adams confectionery business of Pfizer that is being purchased by Cadbury), absolutely and in good faith, to Cadbury pursuant to and in accordance with the Halls Divestiture Agreement (which agreement shall not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of

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Cadbury or to reduce any obligations of Respondents under such agreement), and such agreement, if approved by the Commission as the Divestiture Agreement for the Halls Assets, is incorporated by reference into this Order and made part hereof. If Respondents do not divest the Halls Assets to Cadbury within thirty (30) Business Days after the Effective Date, the Commission may appoint a Divestiture Trustee to divest the Halls Assets.

- B. The purpose of the divestiture of the Halls Assets is to ensure the continued use of the Halls Assets in the same business in which the Halls Assets were engaged at the time of the announcement of the Merger, and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

IX.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) Business Days after the Effective Date, Respondents shall divest the Bonine Assets, absolutely and in good faith, to Insight pursuant to and in accordance with the Bonine Asset Purchase Agreement (which agreement shall not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of Insight or to reduce any obligations of Respondents under such agreement), and such agreement, if approved by the Commission as the Divestiture Agreement for the Bonine Assets, is incorporated by reference into this Order and made part hereof. If Respondents do not divest the Bonine Assets to Insight within ten (10) Business Days after the Effective Date, the Commission may appoint a Divestiture Trustee to divest the Bonine Assets;

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provided, however, that if Respondents have divested the Bonine Assets to Insight prior to the date this Order becomes final, and if, at the time the Commission determines to make this Order final, the Commission notifies Respondents that Insight is not an acceptable purchaser of the Bonine Assets, or that the manner in which the divestiture was accomplished is not acceptable, then Respondents shall immediately rescind the transaction with Insight and shall divest the Bonine Assets within six (6) months from the date the Order becomes final, absolutely and in good faith, at no minimum price, to a Commission-approved Acquirer and only in a manner that receives the prior approval of the Commission.

- B. Any Divestiture Agreement that has been approved by the Commission between Respondents (or a Divestiture Trustee) and a Commission-approved Acquirer of the Bonine Assets shall be deemed incorporated into this Order, and any failure by Respondents to comply with any term of such Divestiture Agreement related to the Bonine Assets shall constitute a failure to comply with this Order.
- C. If the Commission-approved Acquirer is an entity other than Insight (in which case Respondents' obligations shall be in accordance with the Bonine Asset Purchase Agreement) then, at such Commission-approved Acquirer's option, Respondents shall include in any Divestiture Agreement related to the Bonine Assets the following provisions:
 - 1. Respondents shall Contract Manufacture and deliver to the Commission-approved Acquirer, in a timely manner and under reasonable terms and conditions, a supply of Bonine, at no greater than Respondents' Supply Cost, for a period of time sufficient to allow the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to become able to manufacture Bonine in accordance with the FDA requirements governing monograph Products independently of Respondents.

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2. After Respondents commence delivery of Bonine to the Commission-approved Acquirer pursuant to a Divestiture Agreement and for the term of the Contract Manufacture related to Bonine, Respondents will make inventory of Bonine available for sale or resale only to the Commission-approved Acquirer.
3. Respondents shall make representations and warranties to the Commission-approved Acquirer that the Bonine supplied through Contract Manufacture pursuant to the Divestiture Agreement meets FDA-approved specifications. Respondents shall agree to indemnify, defend and hold the Commission-approved Acquirer harmless from any and all suits, claims, actions, demands, liabilities, expenses or losses alleged to result from the failure of the Bonine supplied to the Commission-approved Acquirer pursuant the Divestiture Agreement by the Respondents to meet FDA specifications. This obligation shall be contingent upon the Commission-approved Acquirer giving Respondents prompt, adequate notice of such claim and cooperating fully in the defense of such claim. The Divestiture Agreement shall be consistent with the obligations assumed by Respondents under this Order; *provided, however*, Respondents may reserve the right to control the defense of any such litigation, including the right to settle the litigation, so long as such settlement is consistent with the Respondents' responsibilities to supply Bonine in the manner required by this Order; *provided further, however*, this obligation shall not require Respondents to be liable for any negligent act or omission of the Commission-approved Acquirer or for any representations and warranties, express or implied, made by the Commission-approved Acquirer that exceed the representations and warranties made by the Respondents to the Commission-approved Acquirer.

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4. Respondents shall make representations and warranties to the Commission-approved Acquirer that Respondents will hold harmless and indemnify the Commission-approved Acquirer for any liabilities or loss of profits resulting from the failure by Respondents to deliver Bonine in a timely manner as required by the Divestiture Agreement unless Respondents can demonstrate that their failure was entirely beyond the control of the Respondents and in no part the result of negligence or willful misconduct by Respondents.
5. During the term of the Contract Manufacture between Respondents and the Commission-approved Acquirer, upon request of the Commission-approved Acquirer or Interim Monitor (if applicable), Respondents shall make available to the Commission-approved Acquirer or the Interim Monitor all records that relate to the manufacture of Bonine.
6. Respondents shall commit that, upon reasonable notice and a request from the Commission-approved Acquirer to the Respondents, Respondents shall provide in a timely manner at no greater than Direct Cost:
 - a. assistance and advice to enable the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to obtain all necessary permits and approvals from any Agency or Governmental Entity to manufacture and sell Bonine;
 - b. assistance to the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to manufacture Bonine in substantially the same manner and quality employed or achieved by Respondent Pfizer; and
 - c. consultation with knowledgeable employees of Respondents and training, at the request of the

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Commission-approved Acquirer and at a facility chosen by the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) fully validated, qualified, and approved by the FDA, and able to manufacture Bonine independently of the Respondents.

- D. Respondents shall submit to the Commission-approved Acquirer, at Respondents' expense, all Confidential Business Information related to Bonine; *provided, however*, this provision shall not apply to any Confidential Business Information related to Bonine that Respondent Pharmacia can demonstrate it obtained without the assistance of Respondent Pfizer prior to the Effective Date.
- E. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with requirements of this Order) related to the research, Development, manufacturing, marketing, or sale of Bonine, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any person except the Commission-approved Acquirer. This provision shall not apply to any Confidential Business Information related to Bonine that Respondent Pharmacia can demonstrate it obtained without the assistance of Respondent Pfizer prior to the Effective Date.
- F. For any Commission-approved Acquirer other than Insight (in which case the Respondents' obligations shall be in accordance with the Bonine Asset and Purchase Agreement), for a period of six (6) months from the Closing Date ("the Bonine Access Period"), and at such Commission-approved Acquirer's option, Respondents shall provide the Commission-approved Acquirer with the opportunity to enter into employment contracts with the Product Marketing Employees related to Bonine ("Bonine Core Employees").

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- G. For any Commission-approved Acquirer other than Insight (in which case the Respondents' obligations shall be in accordance with the Bonine Asset and Purchase Agreement), Respondents shall provide any Proposed Acquirer or Commission-approved Acquirer with the opportunity to enter into employment contracts with the Bonine Core Employees in connection with the divestiture of the Bonine Assets; *provided, however*, that any such employment contracts entered into prior to the Closing Date shall be contingent upon approval by the Commission of the agreements relating to the Bonine Assets (*i.e.*, those agreements proposed by Respondents (or the Divestiture Trustee) to the Commission) as the Divestiture Agreements for the Bonine Assets. In this regard, Respondents shall comply with the following requirements:
1. Not later than twenty-five (25) Business Days after the execution date of any proposed Divestiture Agreement related to the Bonine Assets, Respondents shall provide the Commission-approved Acquirer or the Proposed Acquirer the Product Employee Information related to the Bonine Core Employees. Failure by Respondents to provide the Product Employee Information for any relevant employee within the time provided herein shall extend the Bonine Access Period with respect to that employee in an amount equal to the delay.
 2. During the Bonine Access Period, Respondents shall not interfere with the hiring or employing by the Commission-approved Acquirer of Bonine Core Employees, and shall remove any impediments within the control of Respondents that may deter these employees from accepting employment with the Commission-approved Acquirer, including, but not limited to, any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the Commission-approved Acquirer. In addition,

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Respondents shall not make any counteroffer to a Bonine Core Employee who receives a written offer of employment from the Commission-approved Acquirer;

provided, however, that these requirements shall not prohibit the Respondents from making offers of employment to or employing any Bonine Core Employee during the Bonine Access Period where the Commission-approved Acquirer has notified the Respondents in writing that the Commission-approved Acquirer does not intend to make an offer of employment to that employee;

provided further, that if the Respondents notify the Commission-approved Acquirer in writing of their desire to make an offer of employment to a particular Bonine Core Employee and the Commission-approved Acquirer does not make an offer of employment to that employee within twenty (20) Business Days of the date the Commission-approved Acquirer receives such notice, the Respondents may make an offer of employment to that employee.

3. For a period of one (1) year from the Closing Date, Respondents shall not:
 - a. directly or indirectly, solicit or otherwise attempt to induce any employee of the Commission-approved Acquirer with any amount of responsibility related to Bonine ("Bonine Employee") to terminate his or her employment relationship with the Commission-approved Acquirer; *provided, however,* a violation of this provision will not occur by any of the following actions: (i) Respondents advertise for employees in newspapers, trade publications or other media not targeted specifically at the Bonine Employees, or (ii) a Bonine Employee contacts Respondents on his or her own initiative without any direct or indirect

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solicitation or encouragement from the Respondents;
or

- b. hire any Bonine Employee; *provided, however,* Respondents may hire any former Bonine Employee whose employment has been terminated by the Commission-approved Acquirer.

H. For a period of one (1) year from the Closing Date, Respondents shall not market or promote Dramamine in the United States using the services of any Product Marketing Employee related to Bonine.

I. Respondents shall provide all Bonine Core Employees with reasonable financial incentives to continue in their positions until the Closing Date. Such incentives shall include a continuation of all employee benefits offered by Respondents until the Closing Date for the divestiture of the Bonine Assets has occurred, including regularly scheduled raises, bonuses, and vesting of pension benefits (as permitted by Law);

provided, however, that nothing in these requirements or in this Order requires or shall be construed to require the Respondents to terminate the employment of any employee.

J. Prior to the Closing Date, Respondents shall secure all consents and waivers from all Third Parties that are necessary for the divestiture of the Bonine Assets to the Commission-approved Acquirer, or for the continued research, Development, manufacture, sale, marketing or distribution of Bonine by the Commission-approved Acquirer.

K. Respondents shall require, as a condition of continued employment post-divestiture, that each Bonine Core Employee sign a confidentiality agreement pursuant to which such employee shall be required to maintain all Confidential Business Information related to Bonine strictly confidential, including the nondisclosure of such

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information to all other employees, executives or other personnel of Respondents (other than as necessary to comply with the requirements of this Order).

- L. Respondents shall provide written notification of the restrictions on the use of the Confidential Business Information related to Bonine by Respondents' personnel to all of Respondents' employees who (i) are or were involved in the research, Development, manufacturing, distribution, sale or marketing of Bonine, (ii) are involved in the research, Development, manufacturing, distribution, sale or marketing of Dramamine and/or (iii) may have Confidential Business Information related to Bonine. Such notification shall be in substantially the form set forth in the Employee Notification. Respondents shall give such notification by e-mail with return receipt requested or similar transmission, and keep a file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of such notification to the Commission-approved Acquirer. Respondents shall maintain complete records of all such agreements at Respondents' corporate headquarters and shall provide an officer's certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall provide the Commission-approved Acquirer with copies of all certifications, notifications and reminders sent to Respondents' personnel.
- M. Upon reasonable notice and request by the Commission-approved Acquirer, Respondents shall make available to the Commission-approved Acquirer at no greater than Direct Cost such personnel, assistance and training as the Commission-approved Acquirer might reasonably need to transfer the Bonine Assets, and shall continue providing such personnel, assistance and training, at the request of the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) is fully validated, qualified, and

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approved by the FDA, and able to manufacture Bonine independently of the Respondents.

- N. Pending divestiture of the Bonine Assets, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Bonine Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Bonine Assets except for ordinary wear and tear.
- O. Counsel for Respondents (including in-house counsel under appropriate confidentiality arrangements) may retain unredacted copies of all documents or other materials provided to the Commission-approved Acquirer and may have access to original documents (under circumstances where copies of documents are insufficient or otherwise unavailable) provided to the Commission-approved Acquirer in order to:
1. comply with any Divestiture Agreement, this Order, any Law (including, without limitation, any requirement to obtain regulatory licenses or approvals), any data retention requirement of any applicable Governmental Entity, or any taxation requirements; or
 2. defend against, respond to, or otherwise participate in any litigation, investigation, audit, process, subpoena or other proceeding relating to the divestiture or any other aspect of the Bonine Assets or Bonine business; *provided, however*, that Respondents may disclose such information as necessary for the purposes set forth in this Paragraph pursuant to an appropriate confidentiality order, agreement or arrangement;.

provided further, however:

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1. Respondents shall require those who view such unredacted documents or other materials to enter into confidentiality agreements with the Commission-approved Acquirer; *provided, however*, that Respondents shall not be deemed to have violated these requirements if the Commission-approved Acquirer withholds such agreement unreasonably; and
 2. Respondents shall use their best efforts to obtain a protective order to protect the confidentiality of such information during any adjudication.
- P. The purpose of the divestiture of the Bonine Assets is to ensure the continued use of the Bonine Assets in the same business in which the Bonine Assets were engaged at the time of the announcement of the Merger, and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

X.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) Business Days after the Effective Date, Respondents shall divest the Cortaid Assets, absolutely and in good faith, to J&J pursuant to and in accordance with the Cortaid Asset Purchase Agreement (which agreement shall not vary or contradict, or be construed to vary or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of J&J or to reduce any obligations of Respondents under such agreement), and such agreement, if approved by the Commission as the Divestiture Agreement for the Cortaid Assets, is incorporated by reference into this Order and made part hereof. If Respondents do not divest the Cortaid Assets to J&J within ten (10) Business Days after the

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Effective Date, the Commission may appoint a Divestiture Trustee to divest the Cortaid Assets;

provided, however, that if Respondents have divested the Cortaid Assets to J&J prior to the date this Order becomes final, and if, at the time the Commission determines to make this Order final, the Commission notifies Respondents that J&J is not an acceptable purchaser of the Cortaid Assets, or that the manner in which the divestiture was accomplished is not acceptable, then Respondents shall immediately rescind the transaction with J&J and shall divest the Cortaid Assets within six (6) months from the date the Order becomes final, absolutely and in good faith, at no minimum price, to a Commission-approved Acquirer and only in a manner that receives the prior approval of the Commission.

- B. Any Divestiture Agreement between Respondents (or a Divestiture Trustee) and a Commission-approved Acquirer of the Cortaid Assets that has been approved by the Commission shall be deemed incorporated into this Order, and any such failure by Respondents to comply with any term of such Divestiture Agreement related to the Cortaid Assets shall constitute a failure to comply with this Order.
- C. If the Commission-approved Acquirer is an entity other than J&J (in which case Respondents' obligations shall be in accordance with the Cortaid Asset Purchase Agreement) then, at such other Commission-approved Acquirer's option, Respondents shall include in any Divestiture Agreement related to the Cortaid Assets the following provisions:
 - 1. Respondents shall Contract Manufacture and deliver to the Commission-approved Acquirer, in a timely manner and under reasonable terms and conditions, a supply of Cortaid, at no greater than Respondents' Supply Cost, for a period of time sufficient to allow the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to become able to manufacture

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Cortaid in accordance with the FDA requirements governing monograph Products to independently of Respondents.

2. After Respondents commence delivery of Cortaid to the Commission-approved Acquirer pursuant to a Divestiture Agreement and for the term of the Contract Manufacture related to Cortaid, Respondents will make inventory of Cortaid available for sale or resale only to the Commission-approved Acquirer.
3. Respondents shall make representations and warranties to the Commission-approved Acquirer that the Cortaid supplied through Contract Manufacture pursuant to the Divestiture Agreement meets FDA-approved specifications. Respondents shall agree to indemnify, defend and hold the Commission-approved Acquirer harmless from any and all suits, claims, actions, demands, liabilities, expenses or losses alleged to result from the failure of the Cortaid supplied to the Commission-approved Acquirer pursuant to the Divestiture Agreement by the Respondents to meet FDA specifications. This obligation shall be contingent upon the Commission-approved Acquirer giving Respondents prompt, adequate notice of such claim and cooperating fully in the defense of such claim. The Divestiture Agreement shall be consistent with the obligations assumed by Respondents under this Order; *provided, however*, Respondents may reserve the right to control the defense of any such litigation, including the right to settle the litigation, so long as such settlement is consistent with the Respondents' responsibilities to supply Cortaid in the manner required by this Order; *provided further, however*, this obligation shall not require Respondents to be liable for any negligent act or omission of the Commission-approved Acquirer or for any representations and warranties, express or implied, made by the Commission-approved Acquirer that exceed the

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representations and warranties made by the Respondents to the Commission-approved Acquirer.

4. Respondents shall make representations and warranties to the Commission-approved Acquirer that Respondents will hold harmless and indemnify the Commission-approved Acquirer for any liabilities or loss of profits resulting from the failure by Respondents to deliver Cortaid in a timely manner as required by the Divestiture Agreement unless Respondents can demonstrate that their failure was entirely beyond the control of the Respondents and in no part the result of negligence or willful misconduct by Respondents.
5. During the term of the Contract Manufacture between Respondents and the Commission-approved Acquirer, upon request of the Commission-approved Acquirer or Interim Monitor (if applicable), Respondents shall make available to the Commission-approved Acquirer or the Interim Monitor all records that relate to the manufacture of Cortaid.
6. Respondents shall commit that, upon reasonable notice and a request from the Commission-approved Acquirer to the Respondents, Respondents shall provide in a timely manner, at no greater than Direct Cost:
 - a. assistance and advice to enable the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to obtain all necessary permits and approvals from any Agency or Governmental Entity to manufacture and sell Cortaid;
 - b. assistance to the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) to manufacture Cortaid in substantially the same

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manner and quality employed or achieved by
Respondent Pharmacia; and

- c. consultation with knowledgeable employees of Respondents and training, at the request of the Commission-approved Acquirer and at a facility chosen by the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) is fully validated, qualified, and approved by the FDA, and able to manufacture Cortaid independently of the Respondents.
- D. Respondents shall submit to the Commission-approved Acquirer, at Respondents' expense, all Confidential Business Information related to Cortaid.; *provided, however,* this provision shall not apply to any Confidential Business Information related to Cortaid that Respondent Pfizer can demonstrate it obtained without the assistance of Respondent Pharmacia prior to the Effective Date.
- E. Respondents shall not use, directly or indirectly, any Confidential Business Information (other than as necessary to comply with requirements of this Order) related to the research, Development, manufacturing, marketing, or sale of Cortaid, and shall not disclose or convey such Confidential Business Information, directly or indirectly, to any person except the Commission-approved Acquirer. This provision shall not apply to any Confidential Business Information related to Cortaid that Respondent Pfizer can demonstrate it obtained without the assistance of Respondent Pharmacia prior to the Effective Date.
- F. For any Commission-approved Acquirer other than J&J (in which case the Respondents' obligations shall be in accordance with the Cortaid Asset and Purchase Agreement), for a period of six (6) months from the Closing Date ("the Cortaid Access Period"), Respondents shall provide the Commission-approved

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Acquirer with the opportunity to enter into employment contracts with the Product Marketing Employees related to Cortaid (“Cortaid Core Employees”).

- G. For any Commission-approved Acquirer other than J&J (in which case the Respondents’ obligations shall be in accordance with the Cortaid Asset and Purchase Agreement), Respondents shall provide any Proposed Acquirer or Commission-approved Acquirer with the opportunity to enter into employment contracts with the Cortaid Core Employees in connection with the divestiture of the Cortaid Assets; *provided, however*, that any such employment contracts entered into prior to the Closing Date shall be contingent upon approval by the Commission of the agreements relating to the Cortaid Assets (*i.e.*, those agreements proposed by Respondents (or the Divestiture Trustee) to the Commission) as the Divestiture Agreements for the Cortaid Assets. In this regard, Respondents shall comply with the following requirements:
1. Not later than twenty-five (25) Business Days after the execution date of any proposed Divestiture Agreement related to the Cortaid Assets, Respondents shall provide the Commission-approved Acquirer or the Proposed Acquirer the Product Employee Information related to the Cortaid Core Employees. Failure by Respondents to provide the Product Employee Information for any relevant employee within the time provided herein shall extend the Cortaid Access Period with respect to that employee in an amount equal to the delay.
 2. During the Cortaid Access Period, Respondents shall not interfere with the hiring or employing by the Commission-approved Acquirer of Cortaid Core Employees, and shall remove any impediments within the control of Respondents that may deter these employees from accepting employment with the Commission-approved Acquirer, including, but not limited to, any non-

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compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the Commission-approved Acquirer. In addition, Respondents shall not make any counteroffer to a Cortaid Core Employee who receives a written offer of employment from the Commission-approved Acquirer;

provided, however, that these requirements shall not prohibit the Respondents from making offers of employment to or employing any Cortaid Core Employee during the Cortaid Access Period where the Commission-approved Acquirer has notified the Respondents in writing that the Commission-approved Acquirer does not intend to make an offer of employment to that employee;

provided further, that if the Respondents notify the Commission-approved Acquirer in writing of their desire to make an offer of employment to a particular Cortaid Core Employee and the Commission-approved Acquirer does not make an offer of employment to that employee within twenty (20) Business Days of the date the Commission-approved Acquirer receives such notice, the Respondents may make an offer of employment to that employee.

3. For a period of one (1) year from the Closing Date, Respondents shall not directly or indirectly, solicit or otherwise attempt to induce any employee of the Commission-approved Acquirer with any amount of responsibility related to Cortaid (“Cortaid Employee”) to terminate his or her employment relationship with the Commission-approved Acquirer; *provided, however*, a violation of this provision will not occur by any of the following actions: (i) Respondents advertise for employees in newspapers, trade publications or other media not targeted specifically at the Cortaid Employees, or (ii) a Cortaid Employee contacts Respondents on his or

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her own initiative without any direct or indirect solicitation or encouragement from the Respondents; and

- H. For a period of one (1) year from the Closing Date, Respondents shall not market or promote Cortizone in the United States using the services of any Product Marketing Employee relating to Cortaid.
- I. Respondents shall provide all Cortaid Core Employees with reasonable financial incentives to continue in their positions until the Closing Date. Such incentives shall include a continuation of all employee benefits offered by Respondents until the Closing Date for the divestiture of the Cortaid Assets has occurred, including regularly scheduled raises, bonuses, and vesting of pension benefits (as permitted by Law);

provided, however, that nothing in these requirements or in this Order requires or shall be construed to require the Respondents to terminate the employment of any employee.
- J. Prior to the Closing Date, Respondents shall secure all consents and waivers from all Third Parties that are necessary for the divestiture of the Cortaid Assets to the Commission-approved Acquirer, or for the continued research, Development, manufacture, sale, marketing or distribution of Cortaid by the Commission-approved Acquirer. In addition, prior to the Effective Date, Respondents shall execute agreements (assignable to the Commission-approved Acquirer) with all Third Parties (including, but not limited to, all Third Parties used by Respondent Pharmacia in connection with the manufacture of Cortaid within the twelve (12) month period immediately prior to the Effective Date) necessary to insure that any Commission-approved Acquirer will have a supply of Cortaid: (1) in quantities; (2) at prices; (3) in a timely manner; and (4) under reasonable terms and conditions sufficient to enable any Commission-approved Acquirer to maintain the viability and competitiveness of the Cortaid Assets. Each such agreement shall provide that no additional consents or waivers

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of the respective Third Party are required in order to assign the agreement to the Commission-approved Acquirer; *provided, however*, Respondents may satisfy this requirement by certifying that the Commission-approved Acquirer has executed all such agreements directly with each of the relevant Third Parties. For the purposes of these requirements, “Third Parties” includes, but is not limited to, Alpha.

- K. Respondents shall require, as a condition of continued employment post-divestiture, that each Cortaid Core Employee sign a confidentiality agreement pursuant to which such employee shall be required to maintain all Confidential Business Information related to Cortaid strictly confidential, including the nondisclosure of such information to all other employees, executives or other personnel of Respondents (other than as necessary to comply with the requirements of this Order).
- L. Respondents shall provide written notification of the restrictions on the use of the Confidential Business Information related to Cortaid by Respondents’ personnel to all of Respondents’ employees who (i) are or were involved in the research, Development, manufacturing, distribution, sale or marketing of Cortaid, (ii) are involved in the research, Development, manufacturing, distribution, sale or marketing of Cortizone and/or (iii) may have Confidential Business Information related to Cortaid. Such notification shall be in substantially the form set forth in the Employee Notification. Respondents shall give such notification by e-mail with return receipt requested or similar transmission, and keep a file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of such notification to the Commission-approved Acquirer. Respondents shall maintain complete records of all such agreements at Respondents’ corporate headquarters and shall provide an officer’s certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall provide the Commission-

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approved Acquirer with copies of all certifications, notifications and reminders sent to Respondents' personnel.

- M. Upon reasonable notice and request by the Commission-approved Acquirer, Respondents shall make available to the Commission-approved Acquirer at no greater than Direct Cost such personnel, assistance and training as the Commission-approved Acquirer might reasonably need to transfer the Cortaid Assets, and shall continue providing such personnel, assistance and training, at the request of the Commission-approved Acquirer, until the Commission-approved Acquirer (or the Designee of the Commission-approved Acquirer) is fully validated, qualified, and approved by the FDA, and able to manufacture Cortaid independently of the Respondents.
- N. Pending divestiture of the Cortaid Assets, Respondents shall take such actions as are necessary to maintain the viability and marketability of the Cortaid Assets and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Cortaid Assets except for ordinary wear and tear.
- O. Counsel for Respondents (including in-house counsel under appropriate confidentiality arrangements) may retain unredacted copies of all documents or other materials provided to the Commission-approved Acquirer and may have access to original documents (under circumstances where copies of documents are insufficient or otherwise unavailable) provided to the Commission-approved Acquirer in order to:
 - 1. comply with any Divestiture Agreement, this Order, any Law (including, without limitation, any requirement to obtain regulatory licenses or approvals), any data retention requirement of any applicable Governmental Entity, or any taxation requirements; or

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2. defend against, respond to, or otherwise participate in any litigation, investigation, audit, process, subpoena or other proceeding relating to the divestiture or any other aspect of the Cortaid Assets or Cortaid business; *provided, however*, that Respondents may disclose such information as necessary for the purposes set forth in this Paragraph pursuant to an appropriate confidentiality order, agreement or arrangement;

provided further, however:

1. Respondents shall require those who view such unredacted documents or other materials to enter into confidentiality agreements with the Commission-approved Acquirer; *provided, however*, that Respondents shall not be deemed to have violated these requirements if the Commission-approved Acquirer withholds such agreement unreasonably; and
 2. Respondents shall use their best efforts to obtain a protective order to protect the confidentiality of such information during any adjudication.
- P. The purpose of the divestiture of the Cortaid Assets is to ensure the continued use of the Cortaid Assets in the same business in which the Cortaid Assets were engaged at the time of the announcement of the Merger, and to remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

XI.

IT IS FURTHER ORDERED that:

- A. At any time after Respondents sign the Consent Agreement in this matter, the Commission may appoint a monitor ("Interim Monitor") to assure that Respondents expeditiously comply with all of their obligations and

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perform all of their responsibilities as required by this Order and the Order to Maintain Assets (collectively “the Orders”), and the Divestiture Agreements. The Commission may appoint one or more Interim Monitors to assure Respondents’ compliance with the requirements of the Orders, and the related Divestiture Agreements.

- B. The Commission shall select the Interim Monitor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. If neither Respondent has opposed, in writing, including the reasons for opposing, the selection of a proposed Interim Monitor within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Interim Monitor, Respondents shall be deemed to have consented to the selection of the proposed Interim Monitor.
- C. Not later than ten (10) days after the appointment of the Interim Monitor, Respondents shall execute an agreement that, subject to the prior approval of the Commission, confers on the Interim Monitor all the rights and powers necessary to permit the Interim Monitor to monitor Respondents’ compliance with the relevant requirements of the Orders in a manner consistent with the purposes of the Orders.
- D. If one or more Interim Monitors are appointed pursuant to this Paragraph or pursuant to the relevant provisions of the Order to Maintain Assets in this matter, Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of each Interim Monitor:
 - 1. The Interim Monitor shall have the power and authority to monitor Respondents’ compliance with the divestiture and asset maintenance obligations and related requirements of the Orders, and shall exercise such power and authority and carry out the duties and responsibilities of the Interim Monitor in a manner consistent with the

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purposes of the Orders and in consultation with the Commission.

2. The Interim Monitor shall act in a fiduciary capacity for the benefit of the Commission.
3. The Interim Monitor shall serve until the later of:
 - a. the completion by Respondents of the divestiture of all relevant assets required to be divested pursuant to this Order in a manner that fully satisfies the requirements of the Orders and notification by the Commission-approved Acquirer to the Interim Monitor that it is fully capable of producing the relevant Product(s) acquired pursuant to a Divestiture Agreement independently of Respondents (or, in the case of the Cow Mastitis Products, independently of GlaxoSmithKline); or
 - b. the completion by Respondents of the last obligation under the Orders pertaining to the Interim Monitor's service.

provided, however, that the Commission may extend or modify this period as may be necessary or appropriate to accomplish the purposes of the Orders.

4. Subject to any demonstrated legally recognized privilege, the Interim Monitor shall have full and complete access to Respondents' personnel, books, documents, records kept in the normal course of business, facilities and technical information, and such other relevant information as the Interim Monitor may reasonably request, related to Respondents' compliance with their obligations under the Orders, including, but not limited to, their obligations related to the relevant assets. Respondents shall cooperate with any reasonable request of the Interim Monitor and shall take no action to interfere with or

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impede the Interim Monitor's ability to monitor Respondents' compliance with the Orders.

5. The Interim Monitor shall serve, without bond or other security, at the expense of Respondents on such reasonable and customary terms and conditions as the Commission may set. The Interim Monitor shall have authority to employ, at the expense of the Respondents, such consultants, accountants, attorneys and other representatives and assistants as are reasonably necessary to carry out the Interim Monitor's duties and responsibilities.
6. Respondents shall indemnify the Interim Monitor and hold the Interim Monitor harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Interim Monitor's duties, including all reasonable fees of counsel and other reasonable expenses incurred in connection with the preparations for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Interim Monitor.
7. Respondents shall report to the Interim Monitor in accordance with the requirements of this Order and/or as otherwise provided in any agreement approved by the Commission. The Interim Monitor shall evaluate the reports submitted to the Interim Monitor by Respondents, and any reports submitted by the Commission-approved Acquirer with respect to the performance of Respondents' obligations under the Orders or the Divestiture Agreement. Within one (1) month from the date the Interim Monitor receives these reports, the Interim Monitor shall report in writing to the Commission

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concerning performance by Respondents of their obligations under the Orders.

8. Respondents may require the Interim Monitor and each of the Interim Monitor's consultants, accountants, attorneys and other representatives and assistants to sign a customary confidentiality agreement; *provided, however*, that such agreement shall not restrict the Interim Monitor from providing any information to the Commission.
- E. The Commission may, among other things, require the Interim Monitor and each of the Interim Monitor's consultants, accountants, attorneys and other representatives and assistants to sign an appropriate confidentiality agreement related to Commission materials and information received in connection with the performance of the Interim Monitor's duties.
- F. If the Commission determines that the Interim Monitor has ceased to act or failed to act diligently, the Commission may appoint a substitute Interim Monitor in the same manner as provided in this Paragraph or the relevant provisions of the Order to Maintain Assets in this matter.
- G. The Commission may on its own initiative, or at the request of the Interim Monitor, issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of the Orders.
- H. The Interim Monitor appointed pursuant to this Order or the relevant provisions of the Order to Maintain Assets in this matter may be the same person appointed as a Divestiture Trustee pursuant to the relevant provisions of this Order.

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XII.**IT IS FURTHER ORDERED** that:

- A. If Respondents have not fully complied with the obligations to assign, grant, license, divest, transfer, deliver or otherwise convey relevant assets as required by this Order, the Commission may appoint a trustee or trustees (“Divestiture Trustee(s)”) to assign, grant, license, divest, transfer, deliver or otherwise convey the assets required to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed pursuant to each of the relevant Paragraphs in a manner that satisfies the requirements of each such Paragraph. The Commission may appoint a different Divestiture Trustee to accomplish each of the divestitures described in Paragraphs II, III, V, VII, VIII, IX, and X, respectively. In the event that the Commission or the Attorney General brings an action pursuant to § 5(*I*) of the Federal Trade Commission Act, 15 U.S.C. § 45(*I*), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a Divestiture Trustee in such action to assign, grant, license, divest, transfer, deliver or otherwise convey the relevant assets. Neither the appointment of a Divestiture Trustee nor a decision not to appoint a Divestiture Trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed Divestiture Trustee, pursuant to § 5(*I*) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by Respondents to comply with this Order.
- B. The Commission shall select the Divestiture Trustee, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The Divestiture Trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any

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proposed Divestiture Trustee within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Divestiture Trustee, Respondents shall be deemed to have consented to the selection of the proposed Divestiture Trustee.

- C. Not later than ten (10) days after the appointment of a Divestiture Trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission and, in the case of a court-appointed Divestiture Trustee, of the court, transfers to the Divestiture Trustee all rights and powers necessary to permit the Divestiture Trustee to effect the divestiture required by the Order.
- D. If a Divestiture Trustee is appointed by the Commission or a court pursuant to this Paragraph, Respondents shall consent to the following terms and conditions regarding the Divestiture Trustee's powers, duties, authority, and responsibilities:
 - 1. Subject to the prior approval of the Commission, the Divestiture Trustee shall have the exclusive power and authority to assign, grant, license, divest, transfer, deliver or otherwise convey the assets that are required by this Order to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed.
 - 2. The Divestiture Trustee shall have one (1) year after the date the Commission approves the trust agreement described in herein to accomplish the divestiture, which shall be subject to the prior approval of the Commission. If, however, at the end of the twelve-month period, the Divestiture Trustee has submitted a plan of divestiture or believes that the divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission, or, in the case of a court-appointed Divestiture Trustee, by the court; *provided, however*, the

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Commission may extend the divestiture period only two (2) times.

3. Subject to any demonstrated legally recognized privilege, the Divestiture Trustee shall have full and complete access to the personnel, books, records and facilities related to the relevant assets that are required to be assigned, granted, licensed, divested, delivered or otherwise conveyed by this Order and to any other relevant information, as the Divestiture Trustee may request. Respondents shall develop such financial or other information as the Divestiture Trustee may request and shall cooperate with the Divestiture Trustee. Respondents shall take no action to interfere with or impede the Divestiture Trustee's accomplishment of the divestiture. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Commission or, for a court-appointed Divestiture Trustee, by the court.
4. The Divestiture Trustee shall use commercially reasonable best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously and at no minimum price. Each divestiture shall be made in the manner and to an acquirer as required by this Order; *provided, however*, if the Divestiture Trustee receives bona fide offers from more than one acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the Divestiture Trustee shall divest to the acquiring entity selected by Respondents from among those approved by the Commission; *provided further, however*, that Respondents shall select such entity within five (5) Business Days after receiving notification of the Commission's approval.

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5. The Divestiture Trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission or a court may set. The Divestiture Trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the Divestiture Trustee's duties and responsibilities. The Divestiture Trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission and, in the case of a court-appointed Divestiture Trustee, by the court, of the account of the Divestiture Trustee, including fees for the Divestiture Trustee's services, all remaining monies shall be paid at the direction of the Respondents, and the Divestiture Trustee's power shall be terminated. The compensation of the Divestiture Trustee shall be based at least in significant part on a commission arrangement contingent on the divestiture of all of the relevant assets that are required to be divested by this Order.
6. Respondents shall indemnify the Divestiture Trustee and hold the Divestiture Trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Divestiture Trustee.
7. In the event that the Divestiture Trustee determines that he or she is unable to assign, grant, license, divest, transfer, deliver or otherwise convey the relevant assets

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required to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed in a manner that preserves their marketability, viability and competitiveness and ensures their continued use in the research, Development, manufacture, distribution, marketing, promotion, sale, or after-sales support of the relevant Product, the Divestiture Trustee may assign, grant, license, divest, transfer, deliver or otherwise convey such additional assets of Respondents and effect such arrangements as are necessary to satisfy the requirements of this Order.

8. The Divestiture Trustee shall have no obligation or authority to operate or maintain the relevant assets required to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed by this Order.
 9. The Divestiture Trustee shall report in writing to Respondents and to the Commission every sixty (60) days concerning the Divestiture Trustee's efforts to accomplish the divestiture.
 10. Respondents may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys and other representatives and assistants to sign a customary confidentiality agreement; *provided, however*, such agreement shall not restrict the Divestiture Trustee from providing any information to the Commission.
- E. If the Commission determines that a Divestiture Trustee has ceased to act or failed to act diligently, the Commission may appoint a substitute Divestiture Trustee in the same manner as provided in this Paragraph.
- F. The Commission or, in the case of a court-appointed Divestiture Trustee, the court, may on its own initiative or at the request of the Divestiture Trustee issue such additional

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orders or directions as may be necessary or appropriate to accomplish the divestiture required by this Order.

- G. The Divestiture Trustee appointed pursuant to this Paragraph may be the same Person appointed as Interim Monitor pursuant to the relevant provisions of this Order or the relevant provisions of the Order to Maintain Assets in this matter.

XIII.

IT IS FURTHER ORDERED that:

- A. Within thirty (30) days after the date this Order becomes final, and every sixty (60) days thereafter until Respondents have fully complied with Paragraphs II.A., III.A., IV.A., V.A., VI.A., VII.A., VIII.A., IX.A., and X.A., Respondents shall submit to the Commission a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with this Order. Respondents shall submit at the same time a copy of their report concerning compliance with this Order to the Interim Monitor, if any Interim Monitor has been appointed. Respondents shall include in their reports, among other things that are required from time to time, a full description of the efforts being made to comply with the relevant Paragraphs of the Order, including a description of all substantive contacts or negotiations related to the divestiture of the relevant assets and the identity of all parties contacted. Respondents shall include in their reports copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning completing the obligations.
- B. One (1) year after the date this Order becomes final, annually for the next nine (9) years on the anniversary of the date this Order becomes final, and at other times as the Commission may require, Respondents shall file a verified written report

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with the Commission setting forth in detail the manner and form in which they have complied and are complying with this Order.

XIV.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in either corporate Respondent such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of the Order.

XV.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request with reasonable notice to Respondents made to their principal United States offices, Respondents shall permit any duly authorized representative of the Commission:

- A. Access, during office hours of Respondents and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession or under the control of Respondents related to compliance with this Order; and
- B. Upon five (5) days' notice to Respondents and without restraint or interference from Respondents, to interview officers, directors, or employees of Respondents, who may have counsel present, regarding such matters.

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XVI.

IT IS FURTHER ORDERED that this Order will terminate on May 27, 2013.

By the Commission.

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**APPENDIX I
TO THE DECISION AND ORDER****NOTICE OF DIVESTITURE AND REQUIREMENT FOR
CONFIDENTIALITY**

On March 24, 2003, Pfizer Inc. (“Pfizer”) and Pharmacia Corporation (“Pharmacia”), hereinafter referred to collectively as “Respondents,” entered into an Agreement Containing Consent Orders (“Consent Agreement”) with the Federal Trade Commission (“FTC”) relating to the divestiture of certain assets. That Consent Agreement includes two orders: The Decision and Order and the Order to Maintain Assets.

The Decision and Order requires the divestiture of assets relating to the several marketed and pipeline Pfizer products including Darifenacin, femhrt, Pfizer’s cow mastitis product line, Pfizer’s Halls product line and Bonine. These assets are hereinafter referred to as the “Pfizer Divested Assets.” The Decision and Order also requires the divestiture of assets relating to several marketed and pipeline Pharmacia products including Intranasal Apomorphine, the D2 Agonist 774 development compound, Deramaxx and Cortaid. These assets are hereinafter referred to as the “Pharmacia Divested Assets.” Both the Decision and Order and the Order to Maintain Assets require Respondents to commit that no Confidential Business Information relating to the Pfizer Divested Assets or the Pharmacia Divested Assets will be disclosed to or used by any employee of the combined entity formed by the merger of Pfizer and Pharmacia (“Combined Entity”). In particular, this is to protect such information from being used in any way for the research, development, sale or manufacture of any product that competes or may compete with any product that is marketed by the Respondents after the proposed merger. The Decision and Order also requires the complete divestiture of ALL documents (including electronically stored material) that contain Confidential Business Information related to the Pfizer Divested Assets and Pharmacia Divested Assets. Accordingly, no employee of the

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Combined Entity may maintain copies of documents containing such information.

Under the Decision and Order, the Respondents are required to divest the Pfizer Divested Assets and Pharmacia Divested Assets to an acquirer that must be approved by the FTC. Companies have been proposed to the FTC as the acquirers for these assets. Until a complete divestiture of all of the Pfizer Divested Assets and Pharmacia Divested Assets occurs, the requirements of the second order – the Order to Maintain Assets – are in place to insure the continued marketability, viability and competitive vigor of the Pfizer Divested Assets and Pharmacia Divested Assets. This includes preserving the work force that performs functions related to the Pfizer Divested Assets and Pharmacia Divested Assets. You are receiving this notice because you are either (i) an employee with work responsibilities related to the Pfizer Divested Assets, (ii) an employee with work responsibilities related to the Pharmacia Divested Assets, (iii) an employee for Pfizer, Pharmacia or the Combined Entity who has work responsibilities in some way related to products that compete or may compete with the Pfizer Divested Assets or Pharmacia Divested Assets, or (iv) an employee or former employee of Pharmacia or Pfizer who might have Confidential Business Information in your possession related to the Pfizer Divested Assets or Pharmacia Divested Assets.

All Confidential Business Information related to Pfizer Divested Assets and Pharmacia Divested Assets must be retained and maintained by the persons involved in the operation of that business on a confidential basis, and such persons must not provide, discuss, exchange, circulate, or otherwise disclose any such information to or with any other person whose employment involves responsibilities unrelated to the Pfizer Divested Assets or Pharmacia Divested Assets (such as persons with job responsibilities related to Pfizer or Pharmacia products that compete or may compete with the Pfizer Divested Assets or Pharmacia Divested Assets). In addition, any person who possesses such Confidential Business Information related to the

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Pharmacia Divested Assets or Pfizer Divested Assets and who becomes involved in the Combined Entity's business related to any product that competes or may compete with the Pfizer Divested Assets or Pharmacia Divested Assets must not provide, discuss, exchange, circulate, or otherwise disclose any such information to or with any other person whose employment relates to such businesses. Finally, any Pfizer, Pharmacia or former Pfizer or Pharmacia employee with documents that contain information that he or she believes might be considered Confidential Business Information related to the Pharmacia Divested Assets or Pfizer Divested Assets and who has not received specific instructions as to how the documents in his or her possession should be disposed of should contact the contact person identified at the end of this notice.

Furthermore, the Decision and Order places restrictions upon the functions that management level employees of Pfizer or Pharmacia can perform for the Combined Entity for one (1) year from the closing of the Pfizer/Pharmacia transaction: (i) any employee of Pfizer who was involved in the marketing of Darifenacin may not perform a similar function for the Combined Entity relating to Detrol, (ii) any employee of Pfizer who was involved in the marketing of femhrt may not perform a similar function for the Combined Entity relating to Activella, (iii) any employee of Pfizer who was involved in the marketing of Pfizer's Cow Mastitis products may not perform a similar function for the Combined Entity relating to Cow Mastitis products, (iv) any employee of Pfizer who was involved in the marketing of Bonine may not perform a similar function for the Combined Entity relating to Dramamine. In addition, any employee involved in sales efforts for femhrt may not perform a similar function for the Combined Entity regarding Activella for six (6) months from the closing of the Pfizer/Pharmacia transaction.

Any violation of the Decision and Order, or the Order to Maintain Assets may subject Pfizer, Pharmacia, or the Combined Entity to civil penalties and other relief as provided by law.

Order

ORDER TO MAINTAIN ASSETS

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed merger between Respondent Pfizer Inc. (“Pfizer”) and Respondent Pharmacia Corporation (“Pharmacia”), hereinafter referred to as “Respondents,” and the Respondents having been furnished thereafter with a copy of a draft of Complaint that the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders (“Consent Agreement”), containing the proposed Decision and Order, an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having determined to accept the executed Consent Agreement and to place such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings and issues this Order to Maintain Assets:

Order

1. Respondent Pfizer Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 235 East 42nd Street, New York, New York 10017.
2. Respondent Pharmacia Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 100 Route 206 North, Peapack, New Jersey 07977.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondents, and the proceeding is in the public interest.

ORDER**I.**

IT IS ORDERED that, as used in this Order to Maintain Assets, the following definitions and the definitions used in the Consent Agreement and the proposed Decision and Order (and when made final, the final Decision and Order), which are attached hereto as Appendix B and incorporated herein by reference and made a part hereof, shall apply:

- A. “Pfizer” means Pfizer Inc., its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups and affiliates controlled by Pfizer Inc. (including, but not limited to, Warner-Lambert Company LLC), and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. “Pharmacia” means Pharmacia Corporation, its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries,

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divisions, groups and affiliates controlled by Pharmacia Corporation (including, but not limited to, G.D. Searle LLC, and Pharmacia & Upjohn Company), and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

- C. “Respondents” means Pfizer and Pharmacia, individually and collectively.
- D. “Merger” means the merger contemplated by the “Agreement and Plan of Merger” dated as of July 13, 2002, among Pfizer, Pilsner Acquisition Sub Corp. (“Pilsner”) and Pharmacia (“Merger Agreement”) pursuant to which Pilsner, a wholly-owned subsidiary of Pfizer formed for the purpose of the merger, will merge with and into Pharmacia. As a result, Pharmacia will survive the merger and become a wholly-owned subsidiary of Pfizer upon completion of the merger.
- E. “Commission” means the Federal Trade Commission.
- F. “Agency(ies)” means any governmental regulatory authority or authorities in the world responsible for granting approval(s), clearance(s), qualification(s), license(s) or permit(s) for any aspect of the research, Development, manufacture, marketing, distribution or sale of a Product. The term “Agency” includes, but is not limited to, the United States Food and Drug Administration (“FDA”).
- G. “Business Day” means any day excluding Saturday, Sunday and any United States Federal holiday.
- H. “Closing Date” means the date on which Respondents (or a Divestiture Trustee) and a Commission-approved Acquirer close on a transaction to divest, license, or otherwise convey relevant assets pursuant to the Decision and Order.
- I. “Commission-approved Acquirer” means: 1) an entity that is specifically identified in the Decision and Order to acquire

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particular assets that the Respondents are required to assign, grant, license, divest, transfer, deliver or otherwise convey pursuant to the Decision and Order and that has been approved by the Commission to accomplish the requirements of the Decision and Order in connection with the Commission's determination to make the Decision and Order final; or 2) an entity approved by the Commission to acquire particular assets that the Respondents are required to assign, grant, license, divest, transfer, deliver or otherwise convey pursuant to the Decision and Order.

- J. "Confidential Business Information" means all information owned by, or in the possession or control of, Respondents that is not in the public domain related to the research, Development, manufacture, marketing, commercialization, distribution, importation, exportation, cost, pricing, supply, sales, sales support, or use of a Product, as defined in the Decision and Order.
- K. "Divestiture Agreement" means: 1) any agreement between a Respondent(s) and a Commission-approved Acquirer that is specifically referenced and attached to the Decision and Order and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the relevant assets to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed, and that has been approved by the Commission to accomplish the requirements of the Orders in connection with the Commission's determination to make the Decision and Order final; or 2) any agreement between a Respondent(s) and a Commission-approved Acquirer (or between a Divestiture Trustee and a Commission-approved Acquirer) that has been approved by the Commission to accomplish the requirements of the Decision and Order and all amendments, exhibits, attachments, agreements, and schedules thereto, related to the relevant assets to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed, that have been

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approved by the Commission to accomplish the requirements of the Orders.

- L. “Divestiture Businesses and Assets” means the Bonine Assets, the Cortaid Assets, the Cow Mastitis Products Assets, the D2 Agonist 774 Assets, the Darifenacin Assets, the Femhrt Assets, the Halls Assets, the Halls Business, and the IN Apomorphine Assets, individually and collectively, as defined in the Decision and Order.
- M. “Divestiture Trustee(s)” means a trustee or trustees appointed by the Commission pursuant to the relevant provisions of the Decision and Order.
- N. “Effective Date” means the earlier of: 1) the date the Respondents close on the Merger Agreement, or 2) the date the Merger becomes effective by filing the certificate of merger with the Secretary of State of the State of Delaware.
- O. “Interim Monitor(s)” means a monitor appointed by the Commission pursuant to the relevant provisions of this Order to Maintain Assets or the Decision and Order.
- P. “Orders” means the Decision and Order and this Order to Maintain Assets.
- Q. “Product Confidential Business Information” means the Confidential Business Information relating to any product marketed or sold under the Halls Trademarks and the following Products as defined in the Decision and Order: Amoxi-Mast, Bonine, Cortaid, D2 Agonist 774, Dariclox, Darifenacin, Deramaxx, Femhrt, IN Apomorphine, and Orbenin DC.
- R. “Product Core Employee(s)” means the Darifenacin Core Employees, the Femhrt Core Employees, the Femhrt Sales Employees, the IN Apomorphine Core Employees, the D2 Agonist 774 Core Employees, the Cow Mastitis Products

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Core Employees, the Bonine Core Employees, and the Cortaid Core Employees, individually and collectively, as defined or otherwise identified in the Decision and Order.

- S. “Proposed Acquirer” means an entity proposed by the Respondents (or a Divestiture Trustee) to the Commission and submitted for the approval of the Commission as the acquirer for particular assets required to be assigned, granted, licensed, divested, transferred, delivered or otherwise conveyed by Respondents pursuant to this Order.

II.

IT IS FURTHER ORDERED that from the date this Order to Maintain Assets becomes final:

- A. Respondents shall take such actions as are necessary to maintain the viability, marketability, and competitiveness of the Divestiture Businesses and Assets, and shall prevent the destruction, removal, wasting, deterioration, sale, disposition, transfer or impairment of the Divestiture Businesses and Assets, except for ordinary wear and tear and as otherwise would occur in the ordinary course of business.
- B. Respondents shall maintain the operations of the Divestiture Businesses and Assets in the regular and ordinary course of business and in accordance with past practice (including regular repair and maintenance of the Divestiture Businesses and Assets) and shall use their best efforts to preserve the existing relationships with suppliers, vendors, customers, Agencies, employees, and others having business relations with the Divestiture Businesses and Assets. Respondents’ responsibilities shall include, but are not limited to:
1. providing the Divestiture Businesses and Assets with sufficient working capital to operate the Divestiture Businesses and Assets at least at current rates of operation, to meet all capital calls with respect to the

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Divestiture Businesses and Assets and to carry on, at least at their scheduled pace, all capital projects, business plans and promotional activities for the Divestiture Businesses and Assets;

2. continuing, at least at their scheduled pace, any additional expenditures for the Divestiture Businesses and Assets authorized prior to the date the Consent Agreement was signed by Respondents;
3. making available for use by the Divestiture Businesses and Assets funds sufficient to perform all routine maintenance and all other maintenance as may be necessary to, and all replacements of, the Divestiture Businesses and Assets;
4. providing the Divestiture Businesses and Assets with such funds as are necessary to maintain the viability, marketability and competitiveness of the Divestiture Businesses and Assets;
5. providing such support services to the Divestiture Businesses and Assets as were being provided to these businesses by Respondents as of the date the Consent Agreement was signed by Respondents;
6. maintaining a work force equivalent in size, training, and expertise to what has been associated with the Divestiture Businesses and Assets;
7. in connection with the Darifenacin Assets and the Commission-approved Acquirer of the Darifenacin Assets: (i) keeping the Commission-approved Acquirer informed on a timely and ongoing basis with respect to any material contacts with, or communications from, any Agency(ies) relating to Darifenacin; (ii) notifying the Commission-approved Acquirer of, and allowing its participation in, any meetings or discussions with any

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Agency(ies) relating to Darifenacin; (iii) discussing with the Commission-approved Acquirer any proposed action, response or reply by Respondents to any Agency(ies) relating to Darifenacin in advance of Respondents taking such action or submitting such response or reply; and (iv) complying with all reasonable requests made by the Commission-approved Acquirer of the Darifenacin Assets concerning any proposed meetings, discussions, actions, or written or oral communications with any such Agency(ies); and

8. in connection with the Cow Mastitis Products Assets and the Commission-approved Acquirer of the Cow Mastitis Products Assets: (i) keeping the Commission-approved Acquirer informed on a timely and ongoing basis with respect to any material contacts with, or communications from, any Agency(ies) relating to qualification of an alternative supplier of the active pharmaceutical ingredients contained in the Cow Mastitis Products; (ii) notifying the Commission-approved Acquirer of, and allowing its participation in, any meetings or discussions with any Agency(ies) relating to qualification of an alternative supplier of the active pharmaceutical ingredients contained in the Cow Mastitis Products; (iii) discussing with the Commission-approved Acquirer any proposed action, response or reply by Respondents to any Agency(ies) relating to qualification of an alternative supplier of the active pharmaceutical ingredients contained in the Cow Mastitis Products in advance of Respondents taking such action or submitting such response or reply; and (iv) complying with all reasonable requests made by the Commission-approved Acquirer of the Cow Mastitis Products Assets concerning any proposed meetings, discussions, actions, or written or oral communications with any such Agency(ies).

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- C. Respondents shall cooperate with the Interim Monitor(s) in the performance of the Interim Monitor'(s) obligations pursuant to the Orders.
- D. Respondents shall provide all Product Core Employees with reasonable financial incentives to continue in their positions until the Closing Date. Such incentives shall include a continuation of all employee benefits offered by Respondents until the Closing Date for the divestiture of the Divestiture Businesses and Assets has occurred, including regularly scheduled raises and bonuses, and a vesting of all pension benefits (as permitted by law).

Provided, however, this Paragraph shall not be construed to require the Respondents to terminate the employment of any employee.

- E. Prior to the Closing Date, and consistent with the provisions of the Decision and Order, Respondents shall not interfere with the hiring or employing of any Product Core Employees by any Proposed Acquirer of any of the Divestiture Businesses and Assets, shall not offer any incentive to such employees to decline employment with the Proposed Acquirer or to accept other employment with Respondents in lieu of accepting employment with the Proposed Acquirer, and shall remove any other impediments within the control of Respondents that may deter these employees from accepting employment related to the Divestiture Businesses and Assets with the Proposed Acquirer, including, but not limited to, any confidentiality provisions relating to the Divestiture Businesses and Assets or any non-compete provisions of employment or other contracts with Respondents that would affect the ability or incentive of those individuals to be employed by the Proposed Acquirer. In addition, Respondents shall not make any counteroffer to a Product Core Employee who receives a written offer of employment from the Proposed Acquirer.

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Provided, however, that this Paragraph II.E. does not prohibit the Respondents from making offers to any Product Core Employee where the Commission-approved Acquirer has notified the Respondents in writing that it does not intend to make an offer of employment to that employee.

Provided further, that if the Respondents notify the Commission-approved Acquirer in writing of their desire to make an offer of employment to a particular Product Core Employee, and the Commission-approved Acquirer does not make an offer of employment to that employee within twenty (20) Business Days of the date the Commission-approved Acquirer receives such notice, the Respondents may make an offer of employment to that employee.

- F. Promptly following the Effective Date, Respondents shall provide to all of Respondents' employees and other personnel who may have access to Product Confidential Business Information written or electronic notification of the restrictions on the use of the Product Confidential Business Information by Respondents' personnel. At the same time, if not provided earlier, Respondents shall provide a copy of such notification by e-mail with return receipt requested or similar transmission, and keep an electronic file of such receipts for one (1) year after the Closing Date. Respondents shall provide a copy of the form of such notification to the Commission-approved Acquirer, the Interim Monitor(s), and the Commission. Respondents shall also obtain from each employee covered by this Paragraph II. F. an agreement to abide by the applicable restrictions. Such agreement and notification shall be in substantially the form set forth in the "Notice of Divestiture and Requirement for Confidentiality" attached as Appendix A to this Order to Maintain Assets. Respondents shall maintain complete records of all such agreements at Respondents' corporate headquarters and shall provide an officer's certification to the Commission, stating that such acknowledgment program has been implemented and is being complied with. Respondents shall monitor the

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implementation by their employees and other personnel of all applicable restrictions, and take corrective actions for the failure of such employees and personnel to comply with such restrictions or to furnish the written agreements and acknowledgments required by this Order. Respondents shall provide the Commission-approved Acquirer with copies of all certifications, notifications and reminders sent to Respondents' employees and other personnel.

- G. Respondents shall adhere to and abide by the Divestiture Agreements (which agreements shall not vary or contradict, or be construed to vary or contradict, the terms of the Orders, it being understood that nothing in the Orders shall be construed to reduce any obligations of Respondents under such agreement(s)), which are incorporated by reference into this Order to Maintain Assets and made a part hereof.
- H. The purpose of this Order to Maintain Assets is to ensure the continued viability, marketability, and competitiveness of the Divestiture Businesses and Assets in the same businesses in which the Divestiture Businesses and Assets were engaged at the time of the announcement of the Merger, and to prevent the destruction, removal, wasting, deterioration, or impairment of any of the Divestiture Businesses and Assets except for ordinary wear and tear.

III.

IT IS FURTHER ORDERED that:

- A. At any time after Respondents sign the Consent Agreement in this matter, the Commission may appoint one or more Interim Monitors to assure that Respondents expeditiously comply with all of their obligations and perform all of their responsibilities as required by the Orders and the Divestiture Agreements.

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- B. The Commission shall select each Interim Monitor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. If neither Respondent has opposed, in writing, including the reasons for opposing, the selection of a proposed Interim Monitor within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Interim Monitor, Respondents shall be deemed to have consented to the selection of the proposed Interim Monitor.
- C. Not later than ten (10) days after the appointment of an Interim Monitor, Respondents shall execute an agreement that, subject to the prior approval of the Commission, confers on the Interim Monitor all the rights and powers necessary to permit the Interim Monitor to monitor Respondents' compliance with the relevant requirements of the Orders in a manner consistent with the purposes of the Orders.
- D. If one or more Interim Monitors are appointed pursuant to this Paragraph or pursuant to the relevant provisions of the Decision and Order in this matter, Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of each Interim Monitor:
 - 1. The Interim Monitor shall have the power and authority to monitor Respondents' compliance with the divestiture and asset maintenance obligations and related requirements of the Orders, and shall exercise such power and authority and carry out the duties and responsibilities of the Interim Monitor in a manner consistent with the purposes of the Orders and in consultation with the Commission.
 - 2. The Interim Monitor shall act in a fiduciary capacity for the benefit of the Commission.
 - 3. The Interim Monitor shall serve until the later of:

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- a. the completion by Respondents of the divestitures of the Divestiture Businesses and Assets in a manner that fully satisfies the requirements of the Orders and notification by the Commission-approved Acquirers to the Interim Monitor that they are fully capable of producing the relevant Product(s) acquired pursuant to a Divestiture Agreement(s) independently of Respondents (or, in the case of the Cow Mastitis Products, independently of GlaxoSmithKline); or
- b. the completion by Respondents of the last obligation under the Orders pertaining to the Interim Monitor's service.

Provided, however, that the Commission may extend or modify this period as may be necessary or appropriate to accomplish the purposes of the Orders.

4. Subject to any demonstrated legally recognized privilege, the Interim Monitor shall have full and complete access to Respondents' personnel, books, documents, records kept in the normal course of business, facilities and technical information, and such other relevant information as the Interim Monitor may reasonably request, related to Respondents' compliance with their obligations under the Orders, including, but not limited to, their obligations related to the Divestiture Businesses and Assets. Respondents shall cooperate with any reasonable request of the Interim Monitor and shall take no action to interfere with or impede the Interim Monitor's ability to monitor Respondents' compliance with the Orders.
5. The Interim Monitor shall serve, without bond or other security, at the expense of Respondents on such reasonable and customary terms and conditions as the Commission may set. The Interim Monitor shall have authority to employ, at the expense of the Respondents, such consultants, accountants, attorneys and other

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representatives and assistants as are reasonably necessary to carry out the Interim Monitor's duties and responsibilities.

6. Respondents shall indemnify the Interim Monitor and hold the Interim Monitor harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Interim Monitor's duties, including all reasonable fees of counsel and other reasonable expenses incurred in connection with the preparations for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Interim Monitor.
7. Respondents shall report to the Interim Monitor in accordance with the requirements of the Decision and Order and/or as otherwise provided in any agreement approved by the Commission. The Interim Monitor shall evaluate the reports submitted to the Interim Monitor by Respondents, and any reports submitted by the Commission-approved Acquirer with respect to the performance of Respondents' obligations under the Orders or the Divestiture Agreement(s). Within one (1) month from the date the Interim Monitor receives these reports, the Interim Monitor shall report in writing to the Commission concerning Respondents' performance of their obligations under the Orders.
8. Respondents may require the Interim Monitor and each of the Interim Monitor's consultants, accountants, attorneys and other representatives and assistants to sign a customary confidentiality agreement; *provided, however*, that such agreement shall not restrict the Interim Monitor from providing any information to the Commission.

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- E. The Commission may, among other things, require each Interim Monitor and each of the Interim Monitor's consultants, accountants, attorneys and other representatives and assistants to sign an appropriate confidentiality agreement related to Commission materials and information received in connection with the performance of the Interim Monitor's duties.
- F. If the Commission determines that an Interim Monitor has ceased to act or failed to act diligently, the Commission may appoint a substitute Interim Monitor in the same manner as provided in this Paragraph or the relevant provisions of the Decision and Order in this matter.
- G. The Commission may on its own initiative, or at the request of an Interim Monitor, issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of the Orders.
- H. An Interim Monitor appointed pursuant to this Order to Maintain Assets or the relevant provisions of the Decision and Order in this matter may be the same person appointed as a Divestiture Trustee pursuant to the relevant provisions of the Decision and Order.

IV.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least thirty (30) days prior to any proposed change in either corporate Respondent such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change in the corporation that may affect compliance obligations arising out of this Order to Maintain Assets.

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V.

IT IS FURTHER ORDERED that, for the purposes of determining or securing compliance with this Order to Maintain Assets, and subject to any legally recognized privilege, and upon written request with reasonable notice to Respondents, Respondents shall permit any duly authorized representatives of the Commission:

- A. Access, during office hours of Respondents and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession or under the control of Respondents relating to compliance with this Order to Maintain Assets; and
- B. Upon five (5) days' notice to Respondents and without restraint or interference from Respondents, to interview officers, directors, or employees of Respondents, who may have counsel present, regarding such matters.

VI.

IT IS FURTHER ORDERED that this Order to Maintain Assets shall terminate on the earlier of:

- A. Three (3) business days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34; or
- B. The day after the divestiture of all of the Divestiture Businesses and Assets, as required by and described in the Decision and Order, has been completed and each Interim Monitor, in consultation with Commission staff and the Commission-approved Acquirer(s), notifies the Commission that all related assignments, conveyances, deliveries, grants, licenses, transactions, transfers and other transitions are

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complete, or the Commission otherwise directs that this
Order to Maintain Assets is terminated.

By the Commission.

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APPENDIX A**TO THE ORDER TO MAINTAIN ASSETS****NOTICE OF DIVESTITURE AND REQUIREMENT FOR
CONFIDENTIALITY**

On March 24, 2003, Pfizer Inc. (“Pfizer”) and Pharmacia Corporation (“Pharmacia”), hereinafter referred to collectively as “Respondents,” entered into an Agreement Containing Consent Orders (“Consent Agreement”) with the Federal Trade Commission (“FTC”) relating to the divestiture of certain assets. That Consent Agreement includes two orders: The Decision and Order and the Order to Maintain Assets.

The Decision and Order requires the divestiture of assets relating to the several marketed and pipeline Pfizer products including Darifenacin, femhrt, Pfizer’s cow mastitis product line, Pfizer’s Halls product line and Bonine. These assets are hereinafter referred to as the “Pfizer Divested Assets.” The Decision and Order also requires the divestiture of assets relating to several marketed and pipeline Pharmacia products including Intranasal Apomorphine, the D2 Agonist 774 development compound, Deramaxx and Cortaid. These assets are hereinafter referred to as the “Pharmacia Divested Assets.” Both the Decision and Order and the Order to Maintain Assets require Respondents to commit that no Confidential Business Information relating to the Pfizer Divested Assets or the Pharmacia Divested Assets will be disclosed to or used by any employee of the combined entity formed by the merger of Pfizer and Pharmacia (“Combined Entity”). In particular, this is to protect such information from being used in any way for the research, development, sale or manufacture of any product that competes or may compete with any product that is marketed by the Respondents after the proposed merger. The Decision and Order also requires the complete divestiture of ALL documents (including electronically stored material) that contain Confidential Business Information related to the Pfizer Divested Assets and

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Pharmacia Divested Assets. Accordingly, no employee of the Combined Entity may maintain copies of documents containing such information.

Under the Decision and Order, the Respondents are required to divest the Pfizer Divested Assets and Pharmacia Divested Assets to an acquirer that must be approved by the FTC. Companies have been proposed to the FTC as the acquirers for these assets. Until a complete divestiture of all of the Pfizer Divested Assets and Pharmacia Divested Assets occurs, the requirements of the second order – the Order to Maintain Assets – are in place to insure the continued marketability, viability and competitive vigor of the Pfizer Divested Assets and Pharmacia Divested Assets. This includes preserving the work force that performs functions related to the Pfizer Divested Assets and Pharmacia Divested Assets. You are receiving this notice because you are either (i) an employee with work responsibilities related to the Pfizer Divested Assets, (ii) an employee with work responsibilities related to the Pharmacia Divested Assets, (iii) an employee for Pfizer, Pharmacia or the Combined Entity who has work responsibilities in some way related to products that compete or may compete with the Pfizer Divested Assets or Pharmacia Divested Assets, or (iv) an employee or former employee of Pharmacia or Pfizer who might have Confidential Business Information in your possession related to the Pfizer Divested Assets or Pharmacia Divested Assets.

All Confidential Business Information related to Pfizer Divested Assets and Pharmacia Divested Assets must be retained and maintained by the persons involved in the operation of that business on a confidential basis, and such persons must not provide, discuss, exchange, circulate, or otherwise disclose any such information to or with any other person whose employment involves responsibilities unrelated to the Pfizer Divested Assets or Pharmacia Divested Assets (such as persons with job responsibilities related to Pfizer or Pharmacia products that compete or may compete with the Pfizer Divested Assets or Pharmacia Divested Assets). In addition, any person who

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possesses such Confidential Business Information related to the Pharmacia Divested Assets or Pfizer Divested Assets and who becomes involved in the Combined Entity's business related to any product that competes or may compete with the Pfizer Divested Assets or Pharmacia Divested Assets must not provide, discuss, exchange, circulate, or otherwise disclose any such information to or with any other person whose employment relates to such businesses. Finally, any Pfizer, Pharmacia or former Pfizer or Pharmacia employee with documents that contain information that he or she believes might be considered Confidential Business Information related to the Pharmacia Divested Assets or Pfizer Divested Assets and who has not received specific instructions as to how the documents in his or her possession should be disposed of should contact the contact person identified at the end of this notice.

Furthermore, the Decision and Order places restrictions upon the functions that management level employees of Pfizer or Pharmacia can perform for the Combined Entity for one (1) year from the closing of the Pfizer/Pharmacia transaction: (i) any employee of Pfizer who was involved in the marketing of Darifenacin may not perform a similar function for the Combined Entity relating to Detrol, (ii) any employee of Pfizer who was involved in the marketing of femhrt may not perform a similar function for the Combined Entity relating to Activella, (iii) any employee of Pfizer who was involved in the marketing of Pfizer's Cow Mastitis products may not perform a similar function for the Combined Entity relating to Cow Mastitis products, (iv) any employee of Pfizer who was involved in the marketing of Bonine may not perform a similar function for the Combined Entity relating to Dramamine, and (v) any employee of Pharmacia who was involved in the marketing of Cortaid may not perform a similar function for the Combined Entity relating to Cortizone. In addition, any employee involved in sales efforts for femhrt may not perform a similar function for the Combined Entity regarding Activella for six (6) months from the closing of the Pfizer/Pharmacia transaction.

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Any violation of the Decision and Order, or the Order to Maintain Assets may subject Pfizer, Pharmacia, or the Combined Entity to civil penalties and other relief as provided by law.

CONTACT PERSON

If you have questions regarding the contents of this notice, the confidentiality of information, the Decision and Order or the Order to Maintain Assets, you should contact Marc Brotman at 212-733-5029, e-mail address: marc.brotman@pfizer.com.

ACKNOWLEDGMENT

I, _____ (print name),

hereby acknowledge that I have read the above notification and agree to abide by its provisions.

APPENDIX B

TO THE ORDER TO MAINTAIN ASSETS

[DECISION AND ORDER]

Analysis

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an Agreement Containing Consent Orders (“Consent Agreement”) from Pfizer Inc. (“Pfizer”) and Pharmacia Corporation (“Pharmacia”) which is designed to remedy the anticompetitive effects of the acquisition of Pharmacia by Pfizer. Under the terms of the proposed Consent Agreement, the companies would be required to: (1) divest all of Pfizer’s worldwide rights and assets relating to its overactive bladder drug, darifenacin, to Novartis AG; (2) divest Pfizer’s worldwide rights and assets relating to its combination hormone replacement therapy, femhrt, to Galen Holdings plc; (3) return to Natestch Pharmaceutical Company, Inc. all rights to make, use, and sell Natestch’s intranasal apomorphine product (“IN APO”) for the treatment of erectile dysfunction; (4) divest all of Pharmacia’s rights and assets in the field of sexual dysfunction relating to its D2 dopamine receptor agonist, PNU-142,774, to Neurocrine Biosciences, Inc.; (5) renegotiate a 1999 license and supply agreement between Pharmacia and Novartis for Deramaxx, Novartis’s canine arthritis drug, to enable Novartis to operate as an independent competitor, rather than a partner, of the merged entity; (6) divest all of Pfizer’s U.S. rights and assets relating to its lactating cow and dry cow mastitis products to Schering-Plough Corporation; (7) divest all of Pharmacia’s worldwide rights and assets relating to its over-the-counter hydrocortisone-based cream, Cortaid, to Johnson & Johnson (“J&J”); (8) divest all of Pfizer’s U.S. and Puerto Rican rights and assets relating to its over-the-counter motion sickness product, Bonine, to Insight Pharmaceuticals Corporation; and (9) divest all of Pfizer’s worldwide rights and assets relating to its Halls over-the-counter cough drop business to Cadbury Schweppes plc.

The proposed Consent Agreement has been placed on the public record for thirty days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will again review the proposed Consent Agreement and the comments

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received, and will decide whether it should withdraw from the proposed Consent Agreement or make final the Decision and Order (“Order”).

Pursuant to an Agreement and Plan of Merger dated July 13, 2002, between Pfizer and Pharmacia, Pfizer proposes to acquire 100 percent of the issued and outstanding shares of Pharmacia in a stock-for-stock transaction valued at approximately \$60 billion. The Commission’s Complaint alleges that the proposed acquisition, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, in the markets for: (1) extended release treatments for overactive bladder; (2) combination hormone replacement therapy products; (3) treatments for erectile dysfunction; (4) treatments for canine arthritis; (5) treatments for lactating cow mastitis; (6) treatments for dry cow mastitis; (7) over-the-counter hydrocortisone creams and ointments; (8) over-the-counter motion sickness medications; and (9) over-the-counter cough drops. The proposed Consent Agreement will remedy the alleged violations by replacing the lost competition that would result from the merger in each of these markets.

Extended Release Treatments for Overactive Bladder

Extended release drugs for the treatment of overactive bladder (“OAB”) are used by over 2.4 million Americans. Extended release OAB drugs help to reduce or eliminate the three primary symptoms of OAB – frequency, urgency, and urge incontinence – to enable OAB patients to live normal, active lives. Extended release products, dosed at once or twice-a-day, offer a more convenient dosing schedule and fewer side effects than older, generic products that must be taken three-times-a-day. Annual sales of extended release OAB products total \$760 million in the United States, and the market is growing rapidly.

The U.S. market for extended release OAB products is a duopoly. Pharmacia markets Detrol and Detrol LA, twice and

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once-a-day products, respectively. J&J markets Ditropan XL, the only other extended release OAB product available in the United States. Pfizer is seeking approval from the Food and Drug Administration (“FDA”) to market its own extended release product, darifenacin, and is one of the two best-positioned firms seeking to enter the market.

Entry into the market for extended release OAB products is difficult, time-consuming, and costly. *De novo* entry is estimated to take at least eight years and cost upwards of \$375 million. Pfizer, along with one other company, Yamanouchi Pharma America (“Yamanouchi”), are the only two firms well-positioned to enter the market within the next two years. Other firms that have undertaken efforts to develop an extended release OAB product are well behind Pfizer and Yamanouchi.

The proposed acquisition would cause significant anticompetitive harm in the U.S. market for extended release OAB products by eliminating potential competition between Pfizer and Pharmacia. With only two firms currently marketing extended release OAB products to customers in this market (Pharmacia and J&J), the entry of Pfizer and Yamanouchi would likely increase competition and reduce prices for extended release OAB products. Accordingly, allowing Pfizer to control both the Pharmacia extended release OAB products and its own competing product would reduce the number of rivals in the future from four to three and likely force customers to pay higher prices for extended release OAB products. The proposed acquisition would also reduce competition in the research and development of extended release OAB products.

The proposed Consent Agreement therefore requires the parties to divest Pfizer’s extended release OAB product, darifenacin, to Novartis AG no later than ten business days after the Pharmacia acquisition is consummated. Novartis is well-positioned to continue Pfizer’s development efforts and poses no separate competitive concerns as an acquirer of the darifenacin assets. If the Commission determines that Novartis is not an acceptable

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purchaser, or if the manner of the divestiture is not acceptable, Pfizer and Pharmacia must divest the darifenacin assets to a Commission-approved buyer no later than six months from the date the Order becomes final. Should they fail to do so, the Commission may appoint a trustee to divest the darifenacin assets.

The proposed Consent Agreement contains several provisions designed to ensure that the divestiture is successful. Pfizer and Pharmacia are required to provide transitional services to the darifenacin buyer relating to regulatory approvals and manufacturing of darifenacin. Pfizer is required to continue contract manufacturing darifenacin until Novartis obtains the FDA approvals necessary to manufacture darifenacin independently from Pfizer. The proposed Consent Agreement also requires Pfizer and Pharmacia to provide incentives to certain employees to continue in their positions until the divestiture is accomplished. For a period of 18 months from the date the assets are divested, Pfizer and Pharmacia will provide the darifenacin buyer an opportunity to enter into employment contracts with individuals who have experience relating to darifenacin. Pfizer and Pharmacia are also required to provide incentives to these individuals to accept employment with the darifenacin acquirer. For a period of one year following the divestiture date, Pfizer and Pharmacia are prohibited from hiring any employees of the acquirer of the darifenacin assets who have responsibility related to darifenacin. Finally, Pfizer and Pharmacia must take steps to maintain the confidentiality of certain information related to darifenacin.

Combination Hormone Replacement Therapies

Combination hormone replacement therapies (“HRT”), which consist of both estrogen and progestin, are used by women with intact uteri to control moderate to severe menopausal symptoms. Although recent safety concerns have been raised by the National Institutes of Health (“NIH”) about long term use of HRT, there are no effective substitute products available to control menopausal

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symptoms. Total sales of combination HRT products in the United States in 2002 were approximately \$807 million.

The market for combination HRT is highly concentrated. There are three significant competitors in the combination HRT market: Wyeth, Pfizer, and Pharmacia. Post-acquisition, the top two competitors – Wyeth and Pfizer – would control almost 94 percent of the combination HRT market.

Entry into the market for combination HRT products is difficult, time-consuming, and costly. Additionally, because of the safety concerns raised by the NIH's Women's Health Initiative study, a new entrant into the combination HRT market may need to meet higher standards to receive FDA approval. The expected entry of generic competitors for combination HRT products is more than two years away.

The proposed acquisition would further concentrate the market for combination HRT products and eliminate competition between Pfizer and Pharmacia. The loss of Pharmacia as an independent competitor in the combination HRT market would likely result in higher prices and fewer product choices for consumers.

The proposed Consent Agreement preserves competition in the combination HRT market by requiring the parties to divest Pfizer's combination HRT product, femhrt, to Galen Holdings plc no later than ten business days after the Pharmacia acquisition is consummated. Galen is well-positioned to market femhrt because it is a company that specializes in marketing women's health products, including an oral contraceptive and an estrogen-only HRT product. However, if the Commission determines that Galen is not an acceptable purchaser, or if the manner of the divestiture is not acceptable, Pfizer and Pharmacia must divest the femhrt assets to a Commission-approved buyer no later than six months from the date the Order becomes final. Should they fail to do so, the Commission may appoint a trustee to divest the femhrt assets.

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The proposed Consent Agreement contains several provisions designed to ensure that the divestiture of femhrt is successful by requiring the parties to divest all of Pfizer's rights and assets relating to femhrt, including all historical research and development data, sales and marketing materials, and intellectual property. For a period of six months from the date the assets are divested, Pfizer and Pharmacia will provide the femhrt buyer an opportunity to enter into employment contracts with individuals who have experience relating to femhrt. For a period of one year following the divestiture date, Pfizer and Pharmacia are prohibited from hiring any employees of the acquirer of the femhrt assets who have responsibility related to femhrt. Pfizer and Pharmacia must also take steps to maintain the confidentiality of certain information related to femhrt. Finally, Pfizer would continue to package femhrt at its Puerto Rico facility until another packager is brought online by the acquirer of the femhrt assets.

Treatments for Erectile Dysfunction

Erectile dysfunction ("ED") affects 30 million men in the United States and half of the male population between the ages of 40 and 70. Approximately 4 million men take prescription drugs to treat ED. The U.S. market for drugs to treat ED is valued at over \$1 billion today and is expected to exceed \$1.5 billion by 2005 as the population ages and as awareness of the condition increases.

Pfizer dominates the ED market with its well-known product, Viagra. Pfizer has a market share in the United States in excess of 95 percent. Pfizer also has a second-generation Viagra-like product in development for ED. Pharmacia currently has two products in clinical development for ED: IN APO and PNU-142,774.

With the exception of Pharmacia's two products in development, entry into the market for drugs to treat ED is unlikely. Pfizer owns an extensive patent portfolio which protects Viagra. Patent litigation initiated by Pfizer with the most

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significant potential entrants is likely to prevent entry in the next two years.

The proposed acquisition would cause significant anticompetitive harm in the U.S. market for drugs to treat ED by eliminating potential competition between Pfizer and Pharmacia. Given Pfizer's position as a monopolist in the ED market, entry by Pharmacia would increase competition and reduce prices in the market. Accordingly, allowing Pfizer to acquire Pharmacia's two ED products in development would preserve Pfizer's monopoly in the ED market in the future.

The proposed Consent Agreement therefore requires Pharmacia to return all of its rights in one of its products, IN APO, to Natestch Pharmaceutical Company, Inc. and to divest all of its rights and interests in its other product, PNU-142,774, for the field of human sexual dysfunction to Neurocrine Biosciences, Inc., within ten business days after the Pharmacia acquisition is consummated. Both Natestch and Neurocrine have sufficient research and development expertise to continue development of the products that each is obtaining from Pharmacia.

The proposed Consent Agreement requires Pfizer and Pharmacia to ensure that the divestitures to Natestch and Neurocrine are successful. Pfizer and Pharmacia are required to provide Natestch and Neurocrine the opportunity to enter into employment contracts with individuals who have experience relating to IN APO or PNU-142,774. For a period of one year following the divestiture date, Pfizer and Pharmacia are prohibited from hiring any employees of the acquirers of the IN APO or PNU-142,774 assets who have responsibility related to the products. Pfizer and Pharmacia must also take steps to maintain the confidentiality of certain information related to IN APO or PNU-142-774.

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Treatments for Canine Arthritis

Canine arthritis affects an estimated 8.5 million of all dogs in the United States. Approximately 1.8 million arthritic dogs are treated with prescription canine arthritis drugs. Sales for prescription canine arthritis drugs in the United States in 2001 totaled approximately \$81 million, and the U.S. market is expected to grow to over \$110 million by the end of 2003.

The market for prescription canine arthritis drugs is highly concentrated. Pfizer markets Rimadyl, the leading product in the U.S. market that held a 70 percent market share in 2001. Wyeth, through its Fort Dodge Animal Health division, markets EtoGesic. Through a license and supply agreement with Pharmacia, Novartis launched its own canine arthritis product, Deramaxx, in February 2003.

Entry into the market of drugs to treat canine arthritis is difficult, costly, and time-consuming. Besides the safety and efficacy testing required for FDA approval of canine arthritis drugs, firms entering the market must develop palatable dosing formulations for use at home. Achieving a palatable delivery mechanism for dogs is a difficult task and, if not done successfully, can compromise the success of a new drug.

Likely and timely entry is only possible by companies already in late stages of clinical development or awaiting regulatory approval. There are only two entities, Schering-Plough Corporation and a joint venture of Boehringer Ingelheim GmbH and Merial, that have prescription canine products approved in Europe and in late clinical development in the United States and are expected to enter in the U.S. market in the near future. Customers have stated that entry by these firms within the next year will not be sufficient to counter the anticompetitive effects posed by the acquisition of Pharmacia by Pfizer.

The proposed acquisition is likely to result in anticompetitive harm in the U.S. market for drugs to control the pain and

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inflammation associated with canine arthritis. Because of the license and supply agreement with Novartis, Pfizer, the leading company in the market, would have undue control over the supply of product needed by Novartis, and access to the competitively sensitive information of its competitor. As a result, Pfizer would be in a position to undermine the competitive position of one of only two competitors in the market for prescription drugs to treat canine arthritis.

The proposed Consent Agreement preserves competition in the market for prescription canine arthritis drugs by requiring Pharmacia to renegotiate its pre-existing license and supply agreement with Novartis to allow Novartis to operate as an independent competitor rather than a business partner. Specifically, the proposed Consent Agreement: (1) eliminates the control that Pfizer would have over Novartis's product; (2) restricts the type of information Pfizer would be able to obtain about Deramaxx; and (3) allows Novartis to compete with Pfizer in the development of a second generation canine arthritis product.

Treatments for Lactating Cow and Dry Cow Mastitis

___Bovine mastitis, an infection of the udder of the cow, costs the U.S. dairy industry \$2 billion annually. There are two different types of contagious bovine mastitis: (1) lactating cow mastitis; and (2) dry cow mastitis. Lactating cow mastitis occurs when the cow is producing milk, while dry cow mastitis occurs when the cow is not producing milk. Antibiotics used to treat lactating cow mastitis are different from those used to treat dry cow mastitis, and strict FDA regulations preclude the use of one product to treat the other type of infection. In the United States, \$27 million worth of lactating cow mastitis antibiotic products and \$25.5 million worth of dry cow mastitis antibiotic products are sold annually.

The U.S. market for bovine mastitis treatments is highly concentrated. There are only three significant competitors in the

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markets for lactating cow and dry cow mastitis antibiotics products – Pharmacia, Wyeth, and Pfizer. Post-acquisition, Pfizer would account for 50 percent of the sales of lactating cow mastitis products and 55 percent of the sales of dry cow mastitis products. Wyeth would be the only other significant competitor in the markets for bovine mastitis treatments.

Entry into the markets for treatments for bovine mastitis is difficult, expensive, and time-consuming. Besides FDA approval of the drug, successful entry requires: (1) the ability to offer both lactating cow and dry cow products; (2) a dedicated veterinarian sales force experienced in selling and supporting dairy products; (3) a broad line of bovine health products other than mastitis treatments, such as parasiticides, vaccines, reproductive products, and antibiotics to treat other infections; and (4) a good reputation within the dairy community. Consequently, successful new entry into the market for bovine mastitis antibiotics treatments is not likely to occur in a timely fashion, if at all.

The proposed acquisition would further concentrate the market for antibiotics for the treatment of bovine mastitis in the United States. Post-acquisition, Pfizer and Wyeth would be the only significant suppliers. This is likely to lead to higher prices for drugs used to treat bovine mastitis.

The proposed Consent Agreement preserves competition in the market for antibiotics for the treatment of bovine mastitis by requiring Pfizer to divest all of its U.S. rights to its bovine mastitis antibiotic products to Schering-Plough Corporation no later than ten business days after the Pharmacia acquisition is consummated. Schering-Plough is well-positioned to replace Pfizer in the bovine mastitis treatment market because it is the fifth largest animal health company in the United States, has a veterinarian sales and support system, and already has established a good reputation in the dairy community. However, if the Commission determines that Schering-Plough is not an acceptable purchaser, or if the manner of the divestiture is not acceptable, Pfizer and Pharmacia must divest Pfizer's bovine mastitis assets to a Commission-

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approved buyer no later than six months from the date the Order becomes final. Should they fail to do so, the Commission may appoint a trustee to divest the assets.

Over-the-Counter Hydrocortisone Creams and Ointments

Creams and ointments containing the active ingredient hydrocortisone are used to treat a variety of skin conditions, including chronic dry skin, seborrheic dermatitis, eczema, and psoriasis. Annual sales of over-the-counter (“OTC”) hydrocortisone creams and ointments in the United States are approximately \$160 million.

The U.S. market for OTC hydrocortisone creams and ointments is highly concentrated. There are only two branded competitors in the market: (1) Pfizer, with its Cortizone brand; and (2) Pharmacia, with its Cortaid brand. Although private label OTC hydrocortisone creams and ointments also account for a significant share of the market, these products have limited competitive significance and virtually no impact on the pricing of the products sold by Pfizer and Pharmacia. Post-acquisition, Pfizer would account for 55 percent of the OTC sales of hydrocortisone creams and ointments, and would be left with no significant branded competitor in this market.

Entry into the market for OTC hydrocortisone creams and ointments is unlikely to deter or counteract the effects the proposed transaction will have on competition. A new entrant would have to invest a significant amount of time and money to achieve any meaningful competitive presence in this market. Because of the limited sales opportunities and the difficult task of convincing retailers to take shelf space away from established brands, it is unlikely that a new entrant could enter the market and achieve any significant market impact within two years.

The proposed acquisition would cause significant anticompetitive harm in the U.S. market for OTC hydrocortisone creams and ointments by eliminating competition between Pfizer

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and Pharmacia. The loss of Pharmacia as an independent competitor in this market would likely result in higher prices for consumers.

The proposed Consent Agreement preserves competition in the market for OTC hydrocortisone creams and ointments by requiring Pharmacia to divest its Cortaid business to J&J no later than ten business days after the Pharmacia acquisition is consummated. J&J is a well-positioned purchaser because it currently markets many other well-known OTC products and has established relationships with customers. However, if the Commission determines that J&J is not an acceptable purchaser, or if the manner of the divestiture is not acceptable, Pfizer and Pharmacia must divest Pharmacia's Cortaid business to a Commission-approved buyer no later than six months from the date the Order becomes final. Should they fail to do so, the Commission may appoint a trustee to divest the assets.

Over-the-Counter Motion Sickness Medications

Motion sickness is an ailment that occurs when the components of the brain that gauge motion, such as the inner ear and the eyes, send conflicting messages to the brain. When this occurs, symptoms such as dizziness, headache, sweating, and vomiting can occur. OTC motion sickness medications treat this ailment by using certain antihistamines to block the conflicting messages sent to the brain. Annual sales of OTC motion sickness medications total approximately \$45 million in the United States.

The U.S. market for OTC motion sickness medications is highly concentrated. Pfizer, with its Bonine product, and Pharmacia, with its Dramamine product, are the two leading suppliers in this market, with a combined market share of 77 percent. Even after several years on the market, the third leading brand name product, Marezine, has less than 5 percent of the market. The remainder of the market is accounted for by private label products that do not constrain the pricing of the branded products.

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New entry into the market for OTC motion sickness medications is unlikely to be sufficient to counteract the anticompetitive effects of the proposed acquisition. The small size of the market, coupled with the significant investment needed to market and sell the products, make it unlikely that a new competitor will enter the market in the next two years.

Pfizer's proposed acquisition of Pharmacia would cause significant anticompetitive harm in the U.S. market for OTC motion sickness medications. The combined entity would account for 77 percent of all sales of OTC motion sickness medications, and the proposed acquisition is likely to lead to higher prices in this market.

The proposed Consent Agreement effectively remedies the proposed acquisition's anticompetitive harm in the U.S. market for OTC motion sickness medications by requiring Pfizer to divest its U.S. and Puerto Rican Bonine assets to Insight Pharmaceuticals Corporation no later than ten business days after the Pharmacia acquisition is consummated. Insight is a well-positioned purchaser of the Bonine assets because it already has a portfolio of more than fifteen OTC consumer healthcare products, including Allerest, Sucrets, Cepastat, Caldecort, Fiberall, N'Ice, and Nostrilla. Through these other brands, Insight already has significant experience in selling OTC medications and has strong relationships with drugstores, food stores, and mass merchandisers. However, if the Commission determines that Insight is not an acceptable purchaser, or if the manner of the divestiture is not acceptable, Pfizer and Pharmacia must divest the Bonine assets to a Commission-approved buyer no later than six months from the date the Order becomes final. Should they fail to do so, the Commission may appoint a trustee to divest the Bonine assets.

Over-the-Counter Cough Drops

Millions of people in the United States use cough drops to treat the coughing associated with colds or other ailments. Cough

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drops are hard, candy-like confectionary products that contain medications such as menthol or dextromethorphan. Annual sales of cough drops in the United States are about \$240 million.

The OTC cough drop market is highly concentrated, with only two significant competitors with brand name products: (1) Pfizer, with its Halls brand; and (2) Pharmacia, with its Ludens brand. Private label products, once again, have little competitive significance and do not constrain the pricing of the branded products. After the acquisition, Pfizer would account for approximately 63 percent of the OTC cough drop market.

Entry into the market for the manufacture and sale of OTC cough drops is unlikely to occur. Entry requires the investment of extremely high sunk costs which would be difficult to justify given the relatively limited sales opportunities. Thus, entry is not likely to deter or counteract the effect of the proposed acquisition.

The proposed acquisition would eliminate competition between Pfizer and Pharmacia in the U.S. market for OTC cough drops. The loss of Pharmacia as an independent competitor in the OTC cough drop market is likely to lead to higher prices for consumers.

The proposed Consent Agreement effectively remedies the acquisition's anticompetitive effects in the U.S. market for OTC cough drops by requiring Pfizer to divest its Halls cough drop business to Cadbury Schweppes no later than ten business days after the Pharmacia acquisition is consummated. Cadbury is acquiring Pfizer's entire Adams Division, which markets Halls cough drops, as well as many other confectionary products. Cadbury is one of the world's leading beverage and confectionary companies and as such, is well-positioned to market the Halls brand of cough drops.

Interim Monitor

The Commission has appointed Francis J. Civile as Interim Monitor to oversee the asset transfers and to ensure Pfizer and

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Pharmacia's compliance with all of the provisions of the proposed Consent Agreement. Mr. Civile has over 33 years of experience in the pharmaceutical industry and is well-respected in the industry. In order to ensure that the Commission remains informed about the status of the proposed divestitures and the transfers of assets, the proposed Consent Agreement requires Pfizer and Pharmacia to file reports with the Commission periodically until the divestitures and transfers are accomplished.

The purpose of this analysis is to facilitate public comment on the proposed Consent Agreement, and it is not intended to constitute an official interpretation of the proposed Consent Agreement or to modify its terms in any way.

Complaint

IN THE MATTER OF

INSTITUTE OF STORE PLANNERS

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-4080; File No. 0210144
Complaint, May 27, 2003--Decision, May 27, 2003

This consent order addresses Respondent Institute of Store Planners (“ISP”), of Tarrytown, New York – which has approximately 800 members, many of whom are professional design practitioners who provide architectural, store design, store planning, merchandise planning, traffic flow planning fixture and lighting design, in-store graphics and visual presentation services to retail stores – and its adoption and maintenance of certain provisions in its Code of Ethics affecting competition among store planners. The order, among other things, prohibits the respondent from restricting, impeding, declaring unethical or unprofessional or advising against price competition among its members; that is, it prohibits the respondent from restricting its members from providing free or discounted services. The order also requires the respondent to remove – from its Code of Ethics, its constitution and bylaws, and any existing ISP policy statement, commentary or guideline – any provision, policy statement, commentary or guideline which is inconsistent with the order.

Participants

For the Commission: *L. Barry Costilo, Harry Schwirck,*
Richard B. Dagen, Russell Porter and Louis Silvia, Jr..

For the Respondent: *Alan Stanzler, Stanzler, Funderburk &*
Castellon, LLP.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. § 41 et seq., and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the Institute of Store Planners (“Respondent” or “ISP”), a corporation, has violated and is violating the provisions of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, and it appearing to the