



CPR

International Institute for
Conflict Prevention & Resolution

CPR NONPRESCRIPTION DRUG INDUSTRY DISPUTE RESOLUTION COMMITMENT

COMPANY

ADDRESS

CITY, STATE, ZIP

TELEPHONE/FAX/E-MAIL

Disputes arise between companies in the nonprescription drug industry. We wish to avoid the high expense, long delays, burdens, animosity and uncertainties of litigation. We believe that most such disputes are best resolved privately through negotiation or mediation. We therefore agree that any dispute of the nature herein described arising hereafter between our company, including its subsidiaries in the nonprescription drug industry, and another company in the nonprescription drug industry which has made a similar commitment, will be resolved in the manner stated below.

A. TYPES OF DISPUTES

The following types of disputes will be subject to the procedures set forth in Section B:

- Trade dress disputes

B. PROCEDURES

1. Negotiation

When a dispute of the nature described above in Section A has arisen between our company and another signatory, we shall contact the other company orally or in writing to specify the nature of the problem and our concern. If the dispute is not settled promptly in the normal course of business, senior business executives of the companies shall confer in a good faith effort to resolve the dispute.

2. Mediation

If the parties have not resolved the dispute within 30 days of their first contact pursuant to paragraph B.1, they will attempt in good faith to resolve the dispute by mediation, in accordance with the CPR Procedure for Mediation of Nonprescription Drug Disputes attached hereto, as may be modified by mutual agreement of the parties.

If it is necessary for either party to the mediation to disclose proprietary information or trade secrets, the parties will enter into a protective agreement to maintain such information in confidence and prohibit its disclosure or use for any purpose other than resolving the dispute.

3. Adjudication

If the mediation procedure fails to result in resolution of the dispute within 60 days of selection of the mediator, each party may unilaterally terminate the procedure and pursue other remedies. Either party may propose submission of the dispute to arbitration, under CPR rules or other rules, or to a private judicial procedure, but no party is obligated to agree to any such procedure.

4. **Commencing Litigation**

Subject to paragraph B.3, the procedures specified in this Section B shall be the sole and exclusive procedures for the resolution of disputes of a nature specified in Section A between signatories; provided, however, that a party may file a complaint for statute of limitations or venue reasons, or to seek a preliminary injunction or other provisional judicial relief, or if in its sole judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Despite such action the parties will continue to participate in good faith in the procedures specified herein.

5. **More than Two Parties**

If the dispute directly involves more than two parties, all of which have made a similar commitment to the procedures set forth herein, such procedures will apply. If one or more of such parties are not willing to comply with these procedures and are indispensable to the resolution of the dispute, none of the parties will be bound to abide by these procedures. A resolution of a dispute shall not be applicable to parties who have not agreed in writing to abide by it.

6. **Confidential Process**

The entire process is confidential. Unless otherwise agreed to in writing, the parties and the mediator will not disclose information regarding the process, the information disclosed by the other party, the mediator's evaluation as described in paragraph H of the CPR Procedure, or the terms of a proposed resolution. The entire procedure shall be treated as an offer to compromise under the Federal Rules of Evidence and state rules of evidence and therefore inadmissible in any subsequent court or administrative proceeding.

* * * *

The above commitments are entered into in consideration of similar commitments entered into by at least seven other companies in the nonprescription drug industry, and including Perrigo Co. and Leiner Health Care Products Inc., and shall terminate five years from the date hereof, unless renewed.

Chief Executive Officer
or
Executive in Charge of Corporation's
Nonprescription Drug Business

Date _____

Our major subsidiaries in the nonprescription drug industry are:

Note: Please send a signed copy of your statement to the International Institute for Conflict Prevention & Resolution, 30 East 33rd Street, 6th Floor, New York, NY 10016. CPR will publish a registry of companies subscribing to the statement.

CPR PROCEDURE FOR NONPRESCRIPTION DRUG DISPUTE RESOLUTION

INTRODUCTION

Signatories of the *CPR Nonprescription Drug Industry Dispute Resolution Commitment* (the "Commitment") agree that they will attempt in good faith to resolve disputes of a nature specified in Section A of the Commitment with other signatories through unfacilitated negotiations between their senior business executives and, if such negotiations are unsuccessful, through mediation, in accordance with the procedures set forth below. These procedures also will apply to non-signatory companies which are invited and agree to participate, and to disputes not covered by Section A of the Commitment which the parties voluntarily agree to submit to these procedures.

A. INITIATING NEGOTIATIONS

If a dispute specified in Section A of the Commitment shall arise between two Commitment signatories, either party may give a Notice of Negotiation substantially in the form annexed hereto as Appendix 1.

The senior business executives authorized to settle the dispute shall meet at a mutually acceptable time and place, within 15 days after receipt of the Notice of Negotiation, and thereafter as often as they deem necessary, shall exchange relevant information and shall diligently attempt to resolve the dispute.

B. INITIATING MEDIATION

If the aforesaid dispute has not been resolved pursuant to Section A hereof within 30 days from receipt of the Notice of Negotiation, any party to the dispute may give a Notice of Mediation substantially in the form annexed hereto as Appendix 2 to all other parties and to CPR. Any Commitment signatory receiving such notice shall be obligated to participate in the mediation in good faith.

C. SELECTING THE MEDIATOR

Promptly following receipt of a Notice of Mediation, CPR will convene the parties participating in the mediation, in person or by telephone, to attempt to select a mediator by agreement of the parties. If the parties do not promptly reach agreement, CPR will submit to the parties the names of not less than three mediator candidates, with their resumes and hourly rates. If the parties are unable to agree on a candidate from the list within seven days following receipt of the list, each party will, within 15 days following receipt of the list, send to CPR the list of candidates ranked in descending order of preference. The candidate with the lowest combined score will be appointed as the mediator by CPR. CPR will break a tie.

Before proposing any mediator candidate CPR will request the candidate to disclose any circumstances known to him or her which would cause reasonable doubt regarding the candidate's impartiality. If such circumstances are disclosed, the individual will not serve, unless all parties agree. A party may challenge a mediator candidate if it knows of circumstances giving rise to reasonable doubt regarding the candidate's impartiality.

The procedure set forth in this Section C notwithstanding, the parties are free to select a mediator by themselves or by other means.

D. MEDIATOR EXPENSE

The mediator's compensation rate will be determined before appointment. Each party will pay an equal share of the compensation and any other costs of the process, including the administrative fee CPR will charge for its services in the mediator selection process.

E. GROUND RULES

The ground rules of the mediation will be:

1. The process is nonbinding.
2. The mediator will be neutral and impartial.
3. The parties will cooperate fully with the mediator.
4. The mediator controls the procedural aspects of the mediation.
 - (a) The mediator may meet and communicate separately with each party.
 - (b) The mediator normally will hold an initial joint meeting with the parties and then decide when to hold joint and/or separate meetings. The mediator will fix the time, place and agenda for each session. There will be no record of any meeting. Formal rules of evidence will not apply.
5. At least one representative of each party, authorized to negotiate a resolution of the dispute, will attend each session.
6. The process will be conducted expeditiously. Each representative will make every effort to be available for meetings.
7. The mediator will not transmit information received from any party to another party or any third party unless authorized to do so by the party transmitting the information.
8. The entire process is confidential. Unless otherwise agreed to in writing, the parties and the mediator will not disclose information regarding the process, the information disclosed by the other party, the mediator's evaluation described in paragraph H or the terms of a proposed resolution. The entire procedure shall be treated as an offer to compromise under the Federal Rules of Evidence and state rules of evidence and therefore inadmissible in any subsequent court or administrative proceeding.
9. Subject to Section B.4 of the Commitment, the parties will refrain from pursuing judicial and/or administrative remedies during the mediation.
10. The mediator will be disqualified as a witness, consultant or expert in any pending or future investigation, action or proceeding relating to the subject matter of the mediation.
11. The mediator may obtain assistance and independent expert advice, subject to the agreement, and at the expense, of the parties.
12. Unless the parties agree otherwise, the procedure will be deemed terminated without any agreed upon resolution if:
 - (a) After 60 days from the date of selection of the mediator a written resolution has not been agreed upon by the parties and a party has given written notice the mediator and the other party of its intention to withdraw.
 - (b) The mediator concludes that further efforts would not be useful.

13. Neither CPR nor the mediator shall be liable for any act or omission in connection with the mediation.

F. PRESENTATION TO THE MEDIATOR

Upon entering into mediation, and at least seven days before the first mediation conference, each party will deliver to the mediator a statement summarizing the dispute's background and such other information it deems necessary to familiarize the mediator with the dispute. The parties will submit jointly any materials they agree upon. The mediator may request each party to provide clarification and additional information, and to present its case informally to the mediator at the initial joint meeting or at later separate meetings.

The parties are encouraged to exchange all information submitted to the mediator to further each party's understanding of the other's viewpoint. Except as the parties otherwise agree, the mediator shall keep confidential any information submitted. At the conclusion of the mediation, the mediator will return to each party all written materials which that party provided to the mediator without retaining copies. All material exchanged by the parties shall be returned to the originating party without retaining copies.

G. EXCHANGE OF INFORMATION

If a party has a substantial need for documents or other material in the possession of other party, the parties will attempt to agree on the exchange of requested documents or other material. Should they fail to agree, any party may request a joint meeting with the mediator to assist the parties in reaching agreement. At the conclusion of the mediation process, each recipient of documents will return them to the originating party without retaining copies.

H. NEGOTIATION OF TERMS

The mediator may promote a resolution in any manner the mediator believes is appropriate. The parties are expected to initiate proposals for resolution.

If the mediator concludes that mediation techniques have been exhausted and the parties have not reached agreement, the mediator, with the consent of all parties, will promptly give them an evaluation (which if the parties so choose will be in writing) of the likely outcome of the case if it were tried to final judgment and/or a final settlement proposal which the mediator considers fair and equitable. Thereupon, the mediator will call another mediation conference, in the hope that the mediator's evaluation or proposal will lead to a resolution .

I. RESOLUTION

If a resolution is reached, the mediator, or a representative of a party, will draft a written settlement agreement incorporating all terms. This draft will be circulated among the parties, amended as necessary and formally executed.

If a party to the settlement agreement believes another party has failed to honor the agreement, the first party, at its option, may revive the mediation process at the conference stage in paragraph H, and need not commence a new negotiation from the beginning.

NOTICE OF NEGOTIATION

**Pursuant to CPR Nonprescription Drug Industry
Dispute Resolution Commitment**

(To be sent by mail or fax)

Dated: _____

To: _____

(Company)

(Address)

Attention of General Counsel

In accordance with the CPR Nonprescription Drug Industry Dispute Resolution Commitment, which both of our companies have signed, we (the initiating company) wish to enter into negotiations between senior business executives who have authority to settle the matter regarding the dispute described below as negotiations in the normal course of business have not succeeded. Kindly contact the individual named below promptly by telephone to inform us who will represent you and to arrange a place and time to meet and attempt to resolve the dispute.

1. Matter in Dispute

2. Regularly Responsible Persons

The persons who have responsibility for the matter are:

For the initiating company:

(Name & Title)

For the responding company:

(Name & Title)

3. The executive who will represent our company in the negotiations is:

(Name & Title)

Sincerely,

(Company)

By: _____
(Name & Title)

NOTICE OF MEDIATION

**Pursuant to CPR Nonprescription Drug Industry
Dispute Resolution Commitment**

(To be sent by mail or fax)

Dated: _____

To: _____

(Company)

(Address)

(Address)

Attention of General Counsel

Panel Management Group
International Institute for Conflict Prevention & Resolution
30 East 33rd Street, 6th Floor
New York, NY 10016
Fax: (212) 949-8859

At least 30 days have elapsed since the date of receipt by the responding company of a Notice of Negotiation, dated _____, regarding the matter in dispute described below.

The dispute has not been resolved through negotiation between senior executives. Therefore, we hereby request mediation of the dispute in accordance with the CPR Procedure for Nonprescription Drug Dispute Resolution.

We request CPR to promptly convene General Counsel of the parties (or their designees) in person or by telephone to attempt to select a mediator by agreement of the parties.

1. Matter in Dispute

[Add description.]

Sincerely,

(Company)

By: _____

(Name & Title)