



March 12, 2014

Dear Valued Baxter Customer,

As previously communicated in our November 7, 2013 and January 17, 2014 letters, to address the IV solution supply constraints affecting health-care facilities within the United States, Baxter Healthcare Corporation established temporary allocation processes and other distribution controls to drive consistency in the supply stream and ensure access to products, our foremost priority.

Due to the continuing unprecedented demand for Baxter IV solutions, we are implementing the following measures to help manage supply:

- For all contracted customers, product allocations for a select set of IV solutions (please see the enclosed list) will continue at levels consistent with current shipments.
- Allocations will transition from a monthly ordering cadence to weekly. The current monthly allocation amount for each product code will be divided equally into weekly allocations. The effective date for this new allocation process is Tuesday, March 25, 2014. When placing an order each Tuesday, if less than the weekly allocation is ordered, the excess quantity will be rolled into the following week's allocation. With each order, Baxter will search its extensive nationwide distribution network for inventory to fill your requests. Orders in excess of the allocated amounts will automatically cancel.
- To initiate this new process, Baxter Center for Service ordering system will execute a review and clean-up of the existing backorders. This clean-up process, which will take place on March 24, 2014, will result in the cancellation of a number of existing backorders for the codes on the enclosed list. In the interest of reconciling your internal ordering systems, be sure to close out any pending orders.
- Once backorders have been cancelled on March 24, 2014, Baxter will be able to provide reports that detail: 1) what backorders have been cancelled, 2) what orders previously placed will be fulfilled, and 3) the allocation amounts specific to your facility for each of the select product codes. This information will be available through Baxter customer service and field representatives.
- To receive your full allocation, we recommend that you continue ordering product through the same channels, either direct from Baxter, dealer, distributor, or wholesaler. We have requested that distributors and wholesalers allocate inventory using the same methodology outlined in this letter. If you do not receive your appropriate allocation from a dealer, distributor, or wholesaler, please contact them directly.

The allocation process and other distribution controls, including cancelling backorders, will enable a speedier recovery and allow us to meet your most current product needs. While we are hopeful that you will begin seeing improvements in product availability by the end of April, given prevailing market conditions, a definitive timeframe for full return to historic service levels is uncertain.



We are continuing to work with FDA and health-care associations to address the supply shortage and will keep you informed. Our primary goal at Baxter is to ensure patient needs for IV solutions are met. Should you have any immediate needs or concerns, please do not hesitate to contact your Baxter representative or me.

Thank you for your continued patience and support.

Best regards,

A handwritten signature in black ink, reading "Thomas Progar". The signature is written in a cursive style with a large, looping initial "T".

Thomas Progar
V.P., Marketing Operations
Medical Products

Cc: Attachment

Attachment

Allocated Product Codes

Product Code	NDC	Product Description	Packing Configuration
2B2324X	0338011704	Lactated Ringer's Injection, USP, 1000 mL VIAFLEX Plastic Container	14
2B1324X	0338004904	0.9% Sodium Chloride Injection, USP, 1000 mL VIAFLEX Plastic Container	14
2B1322Q	0338004902	0.9% Sodium Chloride Injection, USP, 250 mL VIAFLEX Plastic Container	36
2B0062Q	0338001702	5% Dextrose Injection, USP, 250 mL VIAFLEX Plastic Container	36
2B0063Q	0338001703	5% Dextrose Injection, USP, 500 mL VIAFLEX Plastic Container	24
2B0064X	0338001704	5% Dextrose Injection, USP, 1000 mL VIAFLEX Plastic Container	14
2B1064X	0338008904	5% Dextrose and 0.9% Sodium Chloride Injection, USP, 1000 mL VIAFLEX Plastic Container	14
2B1074X	0338008504	5% Dextrose and 0.45% Sodium Chloride Injection, USP, 1000 mL VIAFLEX Plastic Container	14
2B1313Q	0338004303	0.45% Sodium Chloride Injection, USP, 500 mL VIAFLEX Plastic Container	24
2B1323Q	0338004903	0.9% Sodium Chloride Injection, USP, 500 mL VIAFLEX Plastic Container	24
2B2322Q	0338011702	Lactated Ringer's Injection, USP, 250 mL VIAFLEX Plastic Container	36
2B2323Q	0338011703	Lactated Ringer's Injection, USP, 500 mL VIAFLEX Plastic Container	24
6E0062	0338634602	5% Dextrose Injection, USP, 250 mL AVIVA Container	40
6E0063	0338634603	5% Dextrose Injection, USP, 500 mL AVIVA Container	24
6E1322	0338630402	0.9% Sodium Chloride Injection, USP, 250 mL AVIVA Container	40
6E1323	0338630403	0.9% Sodium Chloride Injection, USP, 500 mL AVIVA Container	24
6E2323	0338630703	Lactated Ringer's Injection, USP, 500 mL AVIVA Plastic Container	24
2B0304X	0338001304	Sterile Water for Injection, USP (For Drug Diluent Use Only), 1000 mL VIAFLEX Plastic Container	14
2B1073Q	0338008503	5% Dextrose and 0.45% Sodium Chloride Injection, USP, 500 mL VIAFLEX Plastic Container	24
2B1314X	0338004304	0.45% Sodium Chloride Injection, USP, 1000 mL VIAFLEX Plastic Container	14
2B2074X	0338012504	Lactated Ringer's and 5% Dextrose Injection, USP	14