

Annex C-002

E-mail dated December 28, 2020 (C-002) from Respondent to Claimant.

[...]

Section 2.2 of [the] Agreement requires that [the Respondent] and [the Claimant] act in good faith to establish the "Annual Minimum Purchase" for 3rd and subsequent years.

As [the Claimant] has previously acknowledged, the prohibition on [the Respondent] marketing and distributing competing products contained in Section 2.4 of the Agreement expires at the end of 2020.

[The Respondent] has complied fully with this prohibition to date, but anticipates that in the future it may begin distributing competing products when it is contractually permitted to do.

Accordingly, the purchase volume estimates provided by [the Respondent] reflect [its] good faith estimate of the reduced volume of future product sales of [the Respondent].

Addition to above, we realized that [the Claimant] has started direct business in some area where [the Respondent is] doing business. This is also one of the important reason of the reduction.

[The Respondent] believe the provisions of Section 2.2 of the Agreement require that the parties act in good faith in establishing reasonable and achievable purchase volumes beginning in 2018, based on current business plans and market conditions.

[The Claimant's] summary rejection of [the Respondent's] good faith estimate of its 3rd year purchase volume is inconsistent with both the letter and spirit of this provision.

We continue to be willing to discuss our business plans and agree on an appropriate purchase volume, but we strongly disagree with [the Claimant's] assertion that it is contractually permitted to unilaterally impose the 2nd year purchase volume for 3rd year.

As our respective legal counsel has discussed, [the Respondent] also believes based on the clear terms of our Agreement, as well as the commercial intentions of both parties, that [the Respondent] is not responsible for any "Purchase Shortfall" relating to 2021 or subsequent years.

Based on the apparent unwillingness of [the Claimant] to discuss in good faith a reasonable purchase volume for 3rd year [the Respondent] intends to continue to order products from [the Claimant] based on the 3rd year forecast we have provided to you.

We hope we can reach mutual agreement for target qty as per our numbers. As a business partner, we willing to have opportunity to have further discussion.