

Annex C-003

Email of January 4, 2021, from Claimant replying to Respondent:

On numerous occasions, [the Claimant] has offered to work and partner with [the Respondent] in good faith during the term of this distribution arrangement. [The Claimant] has never received any Sales Reports from [the Respondent] as specified in Section 3.11 of the agreement, we have not received any forecast information from [the Respondent] since May 2020, and recently learned that [the Respondent] has begun marketing competing products from another distributor as evidenced from a product registration in Australia. Additionally, we worked with various [Respondent] offices to support lower prices than our agreed upon price in the Agreement for local tenders in New Zealand and Uruguay. Finally, [the Claimant] has been working with all of the [Respondent's] offices on the name change and has invested in packaging to ensure they continue to sell in local markets.

Your statement that "[the Claimant] has started direct business in some areas where we are doing business" is incorrect. [The Claimant] has honored this distribution agreement and to date, has not entered into any contracts with [the Respondent's] customers, nor have we sold product into any territories where [the Respondent] is doing business. Even if we did sell into these territories we recognize that the agreement allows us to do so and any amounts would be reduced from any current/future Annual Commitments.

I previously shared the shock and disappointment from my senior management team when it was recently informed by you that [the Respondent's] proposed purchase level for Year Three of the Agreement is 27 MPCs, which represents an 85% reduction in the amount that was purchased from year 2. These significantly reduced purchase levels are not acceptable. In an effort to demonstrate our good faith commitment to [the Respondent], [the Claimant] is willing to reduce year 3 annual minimum volumes to that which were agreed to in year 1, approximately 3,400,000 fifty (SO) count vials of strips (170,000,000 strips). As you know, the agreement requires that if the parties are unable to agree on the annual minimum purchase prior to the end of the then current year, which in this case is January 6, 2021, then the annual minimum purchase for year 3 will be the same as year 2. Therefore, [the Claimant] is making this offer, which is a significant concession, as a sign of good faith and to show you our commitment to [the Respondent]. As explained previously, we disagree with your statement that [the Respondent] is not liable for the failure to meet the annual minimum purchase requirements for years 3-5.

I am happy to discuss this further at your convenience.