



Directorate General Curative Care
Department of Pharmaceutical Affairs and
Medical Technology

Attention 5.1.2e
Parnassusplein 5
2511 VX The Hague

The Hague, 2020-05-15

Nedshield Switzerland AG

Bachtobelstrasse 48
CH-8570 Weinfelden
Switzerland

5.1.2e
www.nedshield.com

SPD Commercial office:
Laan van Nieuw Oost-Indië
1252593 BM Den Haag
The Netherlands

REF: SALES CONTRACT CANCELLATION

Dear 5.1.2e

I confirm receipt of your letter dated May 8th 2020 and your unilateral cancellation of the sales agreement with Nedshield to provide 5.5 million face masks to the Ministerie van Volksgezondheid, Welzijn en Sport.

As matter of record, Nedshield does not accept your sales contract cancellation and sees this as a wrongful declaration of termination. Nedshield is not in default of any of its terms, conditions and or obligations of the contract.

Further we note the following:

- (i) Nedshield, in good faith, has proposed alternative mask deliveries for your consideration which had the potential to be more quickly delivered to Netherlands and even provide a cost saving for the Netherlands State.
- (ii) that you have indicated in your correspondence that the following types of face masks are acceptable: (i) 3M 1860-N95 (ii) 3M -8210/v Type N95 (iii) FFP3s – however;
- (iii) the sales contract has not been changed or amended in any way.
- (iv) that you have cancelled the contract after being informed that Nedshield will deliver the full quantity of 5.5 million of the original product specifications (3M 1860s) and at the contracted price.



(v) That in two conversations with Mr 5.1.2e just prior to your cancellation letter; (1) you have stated that you did not want to pay the contracted price (2) you indicated that you intended to "netjes de zaak afhandelen".

(vi) By cancelling the valid contract and not accepting delivery of the contracted face masks, Nedshield holds the Ministerie van Volksgezondheid, Welzijn en Sport in breach of the sales contract as it had a buyer's obligated to accept the goods and pay the sale price.

In consideration of the above, I have consulted our legal counsel and have decided to defend our claim to the fullest extent via the courts seeking both; (i) payment of all costs incurred resulting from your wrongful cancellation of 8th May and (ii) an action to recover the price of the goods.

Notwithstanding the above, and given that both parties have ongoing parallel interests in supporting the containment of the COVID19 virus, I would like to propose that both parties investigate the finding of a possible solution before Nedshield will progress legally on the 21st May next week.

We have in Nedshield's opinion, already proposed a very "reasonable" basis to initiate a discussion to reach a settlement based on your own clear decision not to take delivery (the proposal of 2,6% cancellation fee - and not as you have indicated in your termination letter of 1.6%). This is a fraction of what would be required as a remedy for a buyer's breach of a Sales Contract in this situation should we proceed legally.

Should you wish to discuss the matter directly and or make a counter-proposal, I look forward to receiving your response. Failing any further response, we shall proceed without further notice.

Sincerely

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