Hanmi

Hanmi Pharm. Co., Ltd.

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May 24, 2022

Medicine Patent Pool
Rue de Varembé 7
Geneva 1202
Switzerland

Letter Regarding Termination of Insurance

Dear Executive Director Charles Gore,

As you know, Hanmi Pharmaceutical Co., Ltd. (**"Hanmi"**) and Medicines Patent Pool (**"MPP"**) entered into the LICENSE AGREEMENT as of January 11, 2022 (the "**License Agreement**"), which Hanmi recently expressed its intention to terminate on April 19, 2022 pursuant to Section 10.7 of the License Agreement, and was effectively terminated as of May 18, 2022.

Soon after we inquired MPP's opinion regarding terminating the Insurance we acquired specifically for this license, in accordance with Article 8 of the License Agreement. We notice that there is an obligation to maintain the insurance for three (3) years following the termination of the License Agreement if the insurance is written on a claims-made form, as specified in Section 8.4. However, as you are well aware, our termination came before any major research is to be performed, due to the changed pandemic circumstances.

In our understanding, while the purpose of the insurance is to provide a safe harbor for any risks that may occur during the performance of the obligations according to the License Agreement, our termination came before any such occurrence is possible, and hence there really is no need for maintaining the insurance for such a long period of time, not to mention that it will only be a waste of resources.

On May 10th, we were told that MPP requested Merck (hereinafter "MSD") and the Head licensor for the possible date for the early insurance termination, and we are still waiting for a response.

Hoping that our further explanation may expedite the review process, and help MPP (and MSD) deciding on our favor, we provide following information regarding what has been performed in Hanmi's end so far:

- Development progress status: initial research step for investigational drug
  - API has been purchased (Quantity : 120 kg, Manufacturer : Optimus)
  - Tech-pack from MPP was received in Feb 7th but the investigational drug was not manufactured since it was planned to be implemented when the reference drug is obtained.
  - A comparison test between investigational drug and reference drug has not been conducted due to the non-receipt of the reference drug.

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As is evident, we were nowhere near the in-vitro and human administration, and were in extremely early stage of development. Therefore, there's extremely low probability that we may need comprehensive and commercial form general liability insurance.

Hence we politely ask MPP, and MSD, to alleviate us from our continuing obligation regarding the insurance.

We look forward to hear back from you,
Yours sincerely,

Jong-Soo Woo
President & CEO