

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

**EUROMED INC**

CIK: **852447** | IRS No.: **222921568** | State of Incorporation: **NJ** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **000-27720** | Film No.: **98501124**  
SIC: **5122** Drugs, proprietaries & druggists' sundries

Mailing Address

WILHELMINASKAAL NOORD 6  
NL 4902VR OOSTERHOUT  
THE NETHERLANDS P7

Business Address

WILHELMINASKAAL NOORD 6  
NL 4902VR OOSTERHOUT  
THE NETHERLANDS P7 08034  
6093541711

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 8, 1997

EuroMed, Inc.

-----  
(Exact name of registrant as specified in its charter)

Nevada	0-27720	88-031770
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Wilhelminakanaal Noord 6, NL 4902VR Oosterhout, The Netherlands

-----  
(Address of principal executive offices) (Zip Code)Registrant's telephone number, including area code 011-31-16-243-7440  
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## ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On December 8, 1997, EuroMed, Inc. (the "Company") consummated the sale of 80% of the capital stock of its wholly-owned subsidiary EuroMed Europe, Inc. ("Subsidiary"), the holding company for the Company's operating subsidiaries, to Neopharm B.V., a Dutch pharmaceutical company. The purchase price for the capital stock consisted of cash in the amount of \$1 million, (\$330,000 of which has been paid, and the remaining \$670,000 of which will be paid following

approval by the Dutch government of an increase in Subsidiary's share capital), the retainment of a loan made by the Company to Subsidiary in the amount of approximately \$300,000, and the assignment to the Company of a claim of approximately \$500,000 against the purchaser of the Company's assets in Pluripharm International B.V. In addition, the Company agreed to indemnify the purchaser and its affiliates from any claims made by Gregory Gaylor.

Additionally, the Company and its subsidiaries have entered into a Settlement Agreement with A. Francois Hinnen and his affiliates, whereby, among other things, Mr. Hinnen's affiliate will return to the Company 1,850,000 shares of the Company's common stock (850,000 of which were previously canceled by the Company), Mr. Hinnen will resign as a director of the Company and Mr. Hinnen and his affiliates will resign as managers of the Company's operating subsidiaries, in consideration for which such subsidiaries transferred to Mr. Hinnen title to the Company's 51% interest in Confedera Philippines, Inc. and title to an automobile and personal computer being utilized by Mr. Hinnen. In addition, each party agreed to release each other for any claims they may have against each other, and the Company agreed to indemnify Mr. Hinnen and his affiliates from certain actions or events, except for claims arising from the unlawful action or omission for which Hinnen and his affiliates may be blamed personally. Consummation of the above Settlement Agreement is subject to certain conditions precedent, which the Company believes will be satisfied in the near future.

The transactions set forth above were negotiated by the parties at arms-length. To the best knowledge of the Company, there is no material relationship between Neopharm and the Company or any of its affiliates, any director or officer of the Company, or any associate of such director or officer.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

- (b) Pro forma Financial Information for the Transaction.(1)
  - (i) Pro forma Condensed Balance Sheet.
  - (ii) Pro forma Condensed Consolidated Statement of Income.

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- (c) Exhibits.

The following is a list of exhibits filed as part of this Current Report on Form 8-K:

Exhibit No.	Description
-----	-----

2.1	Purchase Agreement by and between EuroMed, Inc. and Neopharm B.V. dated November 26, 1997.*
2.2	Settlement Agreement.*
27.1	Financial Data Schedule.(1)

-----  
\* Filed herewith.

(1) It is impractical for the registrant to file such financial statements and related financial data schedule at this time. Such financial statements and related financial data schedule will be filed under cover of Form 8-K/A as soon as practicable, but no later than 60 days after the date by which this report on Form 8-K was required to be filed.

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#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EUROMED, INC.

Date: December 23, 1997

By: /S/ E. Gene Tindell

-----  
E. Gene Tindell  
Chief Executive Officer

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INDEX TO EXHIBITS

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PURCHASE AGREEMENT

relating to the purchase of 80% of the issued  
and outstanding shares in

EUROMED EUROPE B.V.

by

NEOPHARM B.V.

PURCHASE AGREEMENT

THE UNDERSIGNED:

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1. NEOPHARM B.V., a private company with limited liability with seat at Groningen, duly represented by Mr. M. Rijkeboer, hereinafter referred to as "the Purchaser";

AND

2. EUROMED, INC. , a public company incorporated under the laws of Nevada, United States of America, duly represented by its CEO, Mr. E.G. Tindell, hereinafter referred to as "the Vendor";

TAKING INTO CONSIDERATION:  
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- A. EUROMED EUROPE B.V., hereinafter referred to as "the Company", is a closed company with limited liability incorporated under the laws of the Netherlands, with statutory seat at Oosterhout, the Netherlands, with an issued and paid-up share capital consisting of 400 shares with a nominal value of Dfl 100 each (hereinafter referred to as "the Shares").
- B. The Company is the direct owner of subsidiary companies and affiliate companies as defined below.
- C. The Vendor is the sole owner of the Shares.
- D. The Vendor wishes to sell 80% of the Shares (this 80% hereinafter referred to as "the Sale Shares") and the Purchaser wishes to buy the Sale Shares under the conditions as set forth hereinafter.

NOW IT IS HEREBY AGREED AS FOLLOWS:  
-----

1. Sale and Purchase

- 1.1. The Vendor hereby sells to Purchaser and the Purchaser hereby purchases from Vendor the Sale Shares, with numbers 1 up and including 320 free from all liens, charges and encumbrances and with all rights attaching to them.

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- 1.2. Legal title to, and any risk attaching to, the Sale Shares shall pass on Completion Date to Purchaser.

2. Purchase Consideration  
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- 2.1. The total purchase consideration for the Sale Shares ("the Purchase Price") is US \$1,000,000 (one million United States dollars).

3. Completion  
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- 3.1. Completion shall take place on such date as shall be mutually agreed by the Purchaser and the Vendor being not later than December 15, 1997 ("the Completion Date") in the offices of Boekel De Neree, 3037 Strawinskyiaan, Amsterdam the Netherlands.
- 3.2. On the Completion Date, the Purchaser and the Vendor shall execute a notarial Deed of Transfer in favor of the Purchaser. The Vendor shall procure that the Company shall acknowledge such transfer of the Sale Shares by co-signing the Deed of Transfer.
- 3.4. Until Completion Date, Vendor warrants that the Company shall not resolve to any material changes of its policy, strategies, transactions or matters outside the ordinary course of business of the Company, unless with the prior approval of Purchaser.

4. Payment of the Purchase Price  
-----

- 4.1. On the Completion Date, the Purchase Price shall be paid by telephone bank transfer to Vendor in accordance with instructions given by Vendor. Prior to completion, an amount equal to the Purchase Price shall be transferred to the third party account of the Notary. Payment made by the Notary to Vendor in accordance with the instructions given to the Notary, will discharge Purchaser for its obligations under this Article 4.1.

5. Guarantees  
-----

It is agreed and acknowledged that with respect to the Sale Shares and the Company, Vendor does not give any representation, warranty or guarantee whatsoever except those which are mentioned in this article.

The Vendor guarantees ("garandeert") to the Purchaser that each of the following statements is true and accurate as of today and as at the Completion Date, save as properly disclosed in writing to the Purchaser, subject to Article 8.3 of this Agreement.

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As far as the Guarantees are given with regard to the Company, it is implied that such guarantees are equally applicable to any of the subsidiary or affiliated companies of the Company.

A. STATUS OF THE COMPANY



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- 5.1. The Company was incorporated by a notarial deed on 28 December 1995 and is registered with the Trade Registry of the Chamber of Commerce and Industry for Westelijk Noord Brabant (Breda), the Netherlands, under file number 79000. A Trade Registry Extract with respect to the Company is attached to this Agreement as Exhibit 1 and is correct and up to date in every respect. The Articles of Association of the Company as presently in force are attached as Exhibit 2.
- 5.2. The Company is the owner of the following shares in the subsidiary and affiliated companies:
- Confedera B.V. (100%);
  - Galenica B.V. (100%);
  - Mutarestes B.V. (100%);
- Mutarestes B.V. is the owner of 100% of the shares in Pluripharm International B.V. Pluripharm International B.V. is the owner of 100% of the shares in Financieringsmaatschappij de Nieuwe Wereld B.V. The Company owns such shares including the voting rights thereto, free and clear of any liens, security interests, charges, claims, options, rights of first refusal, other than as appearing from the articles of association of the relevant companies or shareholders or similar agreements, as provided for in Exhibit 3.
- 5.3. The Company, through its subsidiary and affiliated companies, carries on activities, in the field of wholesale of pharmaceutical products.
- 5.4. On Completion Date, the Sale Shares are free of any liens or charges, and no depositary receipts ("certification") have been issued in respect of them and the Vendor has free title to the Sale Shares. The Sale Shares constitute 80% of the issued and outstanding share-capital of the Company. The Sale Shares are fully paid-up, unencumbered and free of any claims by third parties.
- 5.5. Neither the Company nor the Vendor has issued any outstanding options or other rights to any person to acquire shares in the Company.
- 5.6. The Company has not issued to any person a right to share in its profit, such as, but not limited to profit-sharing agreements and staff bonuses.

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- 5.7. The Vendor has the power ("bevoegdheid") to enter into this

Agreement and to perform the obligations expressed to be assumed by it and has taken all necessary corporate action to authorize the execution and performance of this Agreement.

B. MANAGEMENT BOARD; POWERS OF ATTORNEY  
-----

5.8. The Company has not granted any power of attorney or similar authority to any person including, without limitation, any power of attorney or similar authority to commit the Company in any way or to dispose of assets of the Company or to operate any bank facilities, except as mentioned in the Trade Registry Extract (attached as Exhibits 1 and 3).

C. INSOLVENCY  
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5.9. No order has been made and no resolution has been passed for the winding up of the Company and no meeting has been convened for the purpose of the winding up of the Company.

5.10 No bankruptcy order has been made and no petition for such an order has been presented in respect of the Company. No receiver (bewindvoerder) has been appointed in respect of the Company of all or any of its assets. The Company is not insolvent. No distress execution or other process has been levied on any of the Company's assets or action taken to repossess goods in the Company's possession. Purchaser is aware that Confedera B.V. and Galenica B.V. have been granted temporarily "surseance van betaling" (suspension of payment) by the relevant District Courts of Utrecht en Breda on 19 November 1997.

6. Breach of Guarantees  
-----

6.1. All liabilities of the vendor arising as a result of any matter which is subject of the warranties as referred to in Article 5 shall terminate on the expiry of a period of 1 year as from the Completion Date, except if the Purchaser has delivered any claim in writing, stating description of facts and circumstances and the amount claimed, to the Vendor prior to such times.

6.2. The Vendor's liability for damage with respect to the aforementioned Guarantees is maximized up to the total of the Purchase Price as determined above in Article 2 of this Agreement.

6.3. In the event of breach of any of the Guarantees by the Vendor or a default by the Vendor of any other obligation contemplated by in this Agreement, the Vendor or the Purchaser, as the case may be, shall upon obtaining knowledge thereof notify the other party promptly in writing. If such party has not taken appropriate measures

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within 30 days of such notification in order to remedy the breach or default concerned, and a dispute arises in this respect between the parties, then the affected party shall be entitled to institute proceedings pursuant to Article 14 of this Agreement.

7. Confidentiality  
-----

7.1 Vendor undertakes not to provide to any other person or use any information regarding the Company, which information it knows or should know is secret or confidential, or the distribution of which may cause damage to Purchaser and/or the Company, unless it is required to do so by virtue of or pursuant to statute or applicable regulations or the requirements of any governmental or regulatory body, provided that Vendor shall not disclose any such information without the prior consultation with Purchaser, unless this consultation is prevented by law.

8. Further Covenants  
-----

8.1. Upon signing this Agreement, Purchaser undertakes to restore the credit facility of both Galenica B.V. and Confedera B.V. to the extent necessary to secure the support of the court appointed administrator ("bewindvoerder") for petitioning the relevant District Courts to withdraw the temporarily granted "surseance van betaling" of Confedera B.V. and Galenica B.V.

8.2. Ultimately on Completion Date Vendor shall resign as statutory director of the Company and its subsidiary companies, as the case may be, effective the Completion Date.

Vendor shall undertake that Mr. Hinnen, B.V. Wisteria and/or Pantapharma B.V. shall resign as statutory director of the Company and its subsidiary companies, as the case may be, effective the Completion Date. On Completion Date, Purchaser shall, to the extent necessary, confirm the "Settlement Agreement" to be concluded between Vendor, the Company and its subsidiary companies on the one hand and Mr. Hinnen, B.V. Wisteria and/or Pantapharma on the other hand. On Completion Date Mr. H. Olthof shall be appointed as statutory director of the Company.

8.3. Vendor has made available to Purchaser, amongst others, (i) an information Memorandum regarding Galenica B.V. and Confedera B.V. prepared by Reitsma & Wertheim Partners (attached to this Agreement as Exhibit 4) (ii) a memorandum on the consolidated interim financial

statements of the Company for the period ended 30 September 1997, prepared by the auditor of the Company, PaardeKoooper & Hoffman accountants (attached to this Agreement as Exhibit 5). To the best of Vendor's knowledge, the information contained in these memorandums is accurate and complete.

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The Vendor knows of no information which is or may reasonably be regarded as material to an accurate appraisal of the affairs of the Company and which has not been disclosed to the Purchaser.

- 8.4 Purchaser is aware of a dispute between Pluripharm International B.V. on the one hand, and Singultus B.V. on the other hand, which dispute has arisen out of an Assets and Liabilities Transfer Agreement dated 4 July 1997. This dispute concerns the entitlement to an amount of f 1.000.000, -- as presently held in escrow account. It is agreed that any costs and proceeds in connection with this dispute will be solely for the account of Vendor. In case any action is required by Purchaser in this respect, Purchaser undertakes to assist Vendor and/or Pluripharm International B.V., as the case may be.
- 8.5 It is agreed that upon completion, the Articles of Association of the Company will be amended to the effect that (i) a supervisory board (the "Board") will be installed (with two members, one on behalf of Vendor (initially being Mr. E.G. Tindell) and one on behalf of Purchaser (initially being Mr. M. Rijkehoer); (ii) the Board shall be entitled to receive financial information on the Company and its subsidiaries on a monthly basis, and an audited financial statement on an annual basis; and (iii) no material action may be taken without unanimous approval of the members of the Board (such material actions shall include, but not be limited to (a) the issuance of any equity (or securities or instruments convertible or exercisable into equity securities) of the Company or its subsidiaries; (b) the entering into any transaction with an affiliate of Vendor or the Company; (c) the increase in compensation of any executive officer or managing director of the Company or any of its subsidiaries; (d) the sale or transfer of all or substantially all of the assets or stock of the Company or any of its subsidiaries; or (e) the liquidation, dissolution or winding-up of the Company or any of its subsidiaries or the bankruptcy or suspension of payment by the Company or any of its subsidiaries.
- 8.7 It is agreed that Purchaser will be responsible for the day to day management of the Company and its subsidiary companies, as the case

may be. It is further agreed that Vendor will not interfere in the normal conduct of business of the Company and its subsidiary companies, as the case may be.

9 Assignment of Rights  
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9.1. The Purchaser is entitled to assign all its rights under this Agreement to any of its 100 subsidiaries or to a member of the Purchasers Group in which Purchaser holds a majority interest or a natural person related to the Purchaser. In the event of such assignment by Purchaser, Purchaser shall procure that the assignee assumes all then outstanding obligations of Purchaser under this Agreement.

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10. Rescission  
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10.1 Up to Completion Date, the Purchaser shall, in its sole judgement, be entitled to rescind ("ontbinden") this Agreement, without intervention of the Court being required, by notice to the Vendor, solely in the event the relevant Districts Courts in Utrecht and Breda have not approved of withdrawing the "surseance van betaling" (suspension of payment) which was temporarily granted to Confedera B.V. and Galenica B.V. on 19 November 1997. Purchaser shall not be entitled to rescind this Agreement on any other ground or for any other reason.

11. Costs  
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11.1. Each party to this Agreement will bear its own costs in relation to the negotiating and preparing of this Agreement. The costs of the Notarial Deed of Transfer will be for 50% for the account of each party to this Agreement.

12. Governing Law, Disputes  
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12.1. This Agreement shall be governed by the laws of the Netherlands.

12.2. All disputes arising in connection with this Agreement shall be

submitted to the competent Court in Amsterdam, the Netherlands.

13. Announcements

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- 13.1. No announcements with respect to this Agreement shall be made unless agreed by parties or required by law.
- 13.2. The vendor undertakes to the Purchaser that it will not at any time from the date hereof divulge or communicate to any person other than to officers or employees of the Company whose province it is to know the same or on the instructions of the Board of Directors of the Company any confidential information concerning any aspect of the Company and it shall use its best endeavors to prevent the publication or disclosure of any such confidential information concerning such matters.

This Agreement represents the entire understanding and agreement between the Vendor and the Purchaser with respect to the purchase and sale of the Shares and supercedes all previous agreements, both in writing and oral, including correspondence.

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IN WITNESS WHEREOF the parties hereto have executed this Agreement in Amsterdam, the Netherlands, on 26 November 1997 by their duly authorized representatives.

/S/ E. Gene Tindell

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EuroMed, Inc.

/S/ M. Rijkeboer

-----  
Neopharm B.V.

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ADDENDUM

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THE UNDERSIGNED:

1. NEOPHARM B.V., a private company with limited liability with seat at Groningen, duly represented by Mr. M. Rijkeboer, hereinafter referred to as "the Purchaser";

AND

2. EUROMED, INC., a public company incorporated under the laws of Nevada, United States of America, duly represented by its CEO, Mr. E.G. Tindell, hereinafter referred to as "the Vendor";

This letter is executed in addition to the Purchase Agreement entered into between Vendor and Purchaser dated 26 November 1997 regarding the purchase of 80% of the issued and outstanding shares in EuroMed Europe B.V. ("the Agreement"). Words in this Letter of Additional Understanding shall have the same meaning as provided in the Agreement.

1. It is agreed that upon Completion, Vendor undertakes to increase the equity of the Company by way of converting a loan made available by Vendor to the Company to the amount of Dfl 5.500.00 (five million five hundred thousand) into share capital of the Company. To the extent necessary, the Articles of Association of the Company will be amended accordingly. All costs in connection with the envisaged increase of capital will be for the account of Vendor. Equity in the Company will be issued to Vendor and Purchaser in such a way that upon completion of the increase of share capital as mentioned in this clause, Purchaser will hold 80% of the issued and outstanding share capital in the Company.
2. It is agreed that Vendor will indemnify, defend and hold Purchaser, and its employees, agents, attorneys and affiliates harmless from and against any and all losses, claims, cause of action, obligations, demands assessments, penalties, liabilities, costs, damages, attorneys' fees and expenses, asserted against or incurred by third parties (such as, but not limited to shareholders and creditors of EuroMed, Inc.) By reason of or resulting (i) from any claims made or initiated by Mr. A. Gaylor against Vendor and/or its subsidiary and/or affiliate companies and/or its employees, or agents and (ii) from any claims made or initiated by Mr. A. Gaylor against Purchaser and/or its subsidiary and/or affiliate companies, and/or its employees or agents.
3. It is agreed that Purchaser will pay one-third (1/3) of the purchase price as mentioned in the Agreement under clause 2, on Monday 8 December 1997 and the balance (2/3) on Completion Date on condition that ultimately on 8 December 1997 (i) Vendor has furnished to Purchaser written evidence of

board approval of the Board of Directors of EuroMed, Inc. unconditionally approving and/or ratifying (a) the Agreement as signed on 26 November 1997 including this Addendum and (b) the Settlement Agreement signed on 27 November 1997 between the EuroMed Group and Mr. Hinnen, Pantapharma and Wisteria; and (ii) the suspensions of

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payment of Galencia B.V. and Confedera B.V. have been withdrawn by the relevant District Courts.

Signed at Amsterdam, the Netherlands on December 3, 1997, by:

/S/ E. Gene Tindell

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Neopharm B.V.

/S/ M. Rijkeboer

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EuroMed, Inc.

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## SETTLEMENT AGREEMENT

- 1a. The company EUROMED. INC., incorporated under the laws of Nevada, United States of America, duly represented by one of its board members, E.G. Tindell, hereinafter to be referred as: "EuroMed, Inc.";
- 1b. The private limited liability company EUROMED EUROPE B.V., incorporated under the laws of The Netherlands, duly represented by one of its statutory directors, EuroMed, Inc., hereinafter to be referred as: "EuroMed B.V.";
- 1c. The private limited liability company MUTARESTES B.V., incorporated under the laws of The Netherlands, duly represented by its statutory director, B.V. Wisteria, duly represented by its statutory director Pantapharma B.V., hereinafter to be referred as: "Mutarestes";
- 1d. The private limited liability company GALENICA B.V., incorporated under the laws of The Netherlands, duly represented by its statutory director EuroMed Europe B.V., hereinafter to be referred as: "Galenica";
- 1e. The private limited liability company CONFEDERA B.V., incorporated under the laws of The Netherlands, duly represented by its statutory director, EuroMed Europe B.V., hereinafter to be referred as: "Confedera";
- 1f. The private limited liability company PLURIPHARM INTERNATIONAL B.V., incorporated under the laws of The Netherlands, duly represented by its statutory director Wisteria, hereinafter to be referred as: "Pluripharm";

AND

- 2a. The private limited liability company PANTAPHARMA B.V., incorporated under the laws of The Netherlands, duly represented by its statutory director, A.F. Hinnen, hereinafter to be referred as: "Pantapharma";
- 2b. The private limited liability company B.V. WISTERIA, incorporated under the laws of The Netherlands, duly represented by its statutory director Pantapharma, hereinafter to be referred as: "Wisteria";
- 2c. ADRIAAN FRANCOIS HINNEN, residing at Velp (Gld), The Netherlands, Beekhuizenseweg 87 (6881 AG), hereinafter to be referred as:

"Hinnen";

Parties la. up to and including lf. will be collectively referred to as: "the EuroMed-group";

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WHEREAS:

- a. EuroMed, Inc., owns all of the issued and outstanding shares of EuroMed B.V.;
- b. EuroMed B.V. holds all of the issued and outstanding shares in the capital of Mutarestes, which in turn owns all of the issued and outstanding shares of Pluripharm;
- c. EuroMed B.V. holds also all of the issued and outstanding shares in the capital of Galenica and Confedera;
- d. Pantapharma is the statutory director of Wisteria, which latter company is a major shareholder in EuroMed, Inc. and holds 1,850,000 shares (of which 1,000,000 are legally owned by Wisteria);
- e. Hinnen, Wisteria and Pantapharma have entered into three management agreements with the EuroMed-group which were signed on October 12, 1995 (2x) and July 5, 1996 (1x), (hereinafter: "the Management Agreements"), whereby Wisteria was appointed as manager for EuroMed B.V., Mutarestes, Pluripharm and Galenica and whereby Pantapharma was appointed as manager for Confedera. In addition, Hinnen was appointed as board member of EuroMed, Inc. in July 1996;
- f. The Parties have made certain claims against each other and have agreed to settle their differences on the terms contained in the agreement (hereinafter: "the Agreement");

THE PARTIES HEREBY AGREE AS FOLLOWS:

ARTICLE 1 RETURN OF THE 1,850,000 EUROMED, INC. SHARES

- 1.1 Subject to the terms and conditions contained herein Wisteria agrees to return for the benefit of EuroMed, Inc. the 1,850,000 EuroMed, Inc. Shares to EuroMed, Inc. and EuroMed, Inc. accepts the 1,850,000 EuroMed, Inc. Shares from Wisteria. Wisteria agrees to return the 1,850,000 EuroMed, Inc. Shares to EuroMed, Inc. in consideration of receiving full and final release from the EuroMed-group as defined in Article 3 hereof.
- 1.2 The return of the 1,850,000 EuroMed, Inc. Shares will be effected by handing over the original certificate by Wisteria to Mr. N.B.L. Taaselaar, civil law notary, until (i) the joint declaration as mentioned in Article 5.2 hereof has been furnished, (ii) the

resolutions mentioned in Article 6.4 hereof have been furnished and (iii) all conditions mentioned in Article 7 hereof have been fulfilled.

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ARTICLE 2 REPRESENTATIONS AND WARRANTIES

- 2.1 Each member of the EuroMed-group represents and warrants that EuroMed, Inc. has full corporate power and authority to execute and perform the Agreement and the transactions contemplated thereby in accordance with their terms.
- 2.2 At or prior to the signing of the Agreement, each member of the EuroMed-group represents and warrants that the execution and the performance of the Agreement and the transactions contemplated thereby have been duly authorized by all necessary corporate actions on the part of EuroMed, Inc.
- 2.3 At or prior to the signing of the Agreement, each member of the EuroMed-group represents and warrants that no consent, authorization, approval of the United States Securities and Exchange Commission, Federal Trade Commission or any other law of the United States of America or any State "Blue Sky Law" is required on behalf of EuroMed, Inc. in connection with the execution and performance of the Agreement and the transactions contemplated thereby.

ARTICLE 3 INDEMNIFICATION AND WAIVER OF CLAIMS

- 3.1 Each member of the EuroMed-group will indemnify, defend and hold Hinnen, Wisteria, Pantapharma and their employees, agents, attorneys and affiliates harmless from and against any and all losses, claims, causes of action, obligations, demands, assessments, penalties, liabilities, costs, damages, attorneys' fees and expenses, asserted against or incurred by third parties (such as, but not limited to shareholders and creditors of EuroMed, Inc.) by reason of or resulting from: (a) any claim arising from this Agreement and/or any other agreement executed in connection with this transaction contemplated hereby and/or (b) any claim arising from the Share Purchase Agreement (regarding the shares of Mutarestes B.V.) dated July 5, 1996 and the Asset and Liabilities Transfer Agreement (regarding the assets of Mutarestes B.V.) dated March 3, 1997, the Management Agreements and/or the activities and duties performed by Hinnen, Wisteria and/or Pantapharma, except for claims (i) arising from the unlawful action or omission for which Hinnen, Wisteria and/or Pantapharma may be blamed personally ("verwijtbaar onrechtmatig handelen of nalaten").

3.2 Each member of the EuroMed-group hereby fully releases Hinnen, Wisteria, Pantapharma and their employees, agents, officers, directors, attorneys and affiliates and waives its rights to claim inter alia damages and on the same basis Hinnen, Wisteria and Pantapharma hereby fully release each member of the EuroMed-group and their employees, agents, officers, directors, attorneys and affiliates and waives their right to claim inter alia damages with respect to any claim, such as, but not limited to any claim (i) resulting from this Agreement or (ii) resulting from the Management Agreements and/or the activities and duties performed by Hinnen, Wisteria and/or Pantapharma or (iii) resulting from any event in connection with the financial position of the EuroMed- group, the delisting of the Nasdaq or any other event which

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occurred as of July 5, 1996 or (iv) resulting from any event, act or omission by Hinnen, Wisteria and Pantapharma with respect to the EuroMed-group and in their possible capacity as member of the Board of Directors of EuroMed, Inc., EuroMed B.V., Confedera, Galenica, Mutarestes and/or Pluripharm.

3.3 Each member of the EuroMed-group represents and warrants that it has not assigned or transferred any of the claims mentioned in Article 3 hereof to any third party.

On the same basis Hinnen, Wisteria and Pantapharma represent and warrant that they have not assigned or transferred any of the claims mentioned in Article 3 hereof to any third party.

3.4 It is explicitly understood that the settlement of disputes and the releases as mentioned in this article is considered to be a settlement agreement as meant by Article 7:900 of the Dutch Civil Code as of the date the certificates are handed over to EuroMed, Inc. as provided in Article 1.2.

#### ARTICLE 4 TREATMENT OF CLAIMS

4.1 In case Hinnen and/or Wisteria and/or Pantapharma will be sued by a third party concerning an event for which the indemnification of Article 3 applies, EuroMed, Inc. will deal diligently with this claim on behalf of the abovementioned persons and legal entities as "dominus litis."

4.2 EuroMed, Inc. will inform Hinnen, Wisteria and Pantapharma fully and

quickly about the pending claim and will furnish copies of all documents concerning the claim to Hinnen, Wisteria and/or Pantapharma.

- 4.3 The costs for and arising from any legal proceeding or settlement with respect to such claim will be for the account of EuroMed, Inc.
- 4.4 Hinnen and Wisteria may appoint a counsel who may interfere with the legal proceedings and/or negotiations on their behalf and on behalf of Hinnen, Wisteria and/or Pantapharma. The costs for this counsel will be for the account of Hinnen and Wisteria.
- 4.5 Hinnen and Wisteria will not give any support (unless required by law) to third parties who have the intention to file a claim against the EuroMed-group with respect to the agreements and actions mentioned in Article 3.1 under a and b. The EuroMed-group will not give any support (unless required by law) to third parties who have the intention to file a claim against Hinnen, Wisteria and/or Pantapharma with respect to the agreements and actions mentioned in Article 3.1 under a and b.

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ARTICLE 5 CONFIDENTIALITY

- 5.1 Each party shall keep the terms of the Agreement confidential, and shall make no press release or public disclosures, either written or oral, regarding the transactions contemplated by the Agreement without the prior knowledge and consent of the other parties hereto; provided that the foregoing shall not prohibit any disclosure (i) by press release or filing that is required by law (such as United States securities laws), copies of which shall be made available to Hinnen, Wisteria and Pantapharma, (ii) to advisors, financiers or lenders of any party and (iii) to the Shareholders meeting of EuroMed, Inc.
- 5.2 Parties will jointly agree on a text for a press release and on filing with the SEC, announcing the resignation of Hinnen and Wisteria as directors of the EuroMed-group as agreed in this Settlement Agreement and the sale of (part of) the companies of the EuroMed-group to Rijkeboer/Neopharm. No interviews or other press releases will be made by any of the parties. This joint declaration will be the only publication (verbal or written) made by the parties regarding this transaction. This joint declaration will be deposited with the civil law notary mentioned in Article 1.2 hereof and be released when all the conditions mentioned in Article 1.2 have been fulfilled.

ARTICLE 6 MANAGEMENT AGREEMENTS AND RELEASE

- 6.1 EuroMed B.V. confirms hereby the resignation of Hinnen, Wisteria and Pantapharma as managers in accordance with the Management Agreements as of the date that the original certificate mentioned in Article 1.2 is handed over by Wisteria to the civil law notary and all conditions mentioned all conditions mentioned in Article 1.2 have been fulfilled.
- 6.2 EuroMed, Inc. confirms hereby the resignation of Hinnen as member of the Board of Directors of EuroMed, Inc. as per the date that the original certificate mentioned in Article 1.2 is handed over by Wisteria to the civil law notary and all conditions mentioned in Article 1.2 have been fulfilled.
- 6.3 The EuroMed-group as of the date of termination of the Management Agreements and the date of resignation of Hinnen as member of the Board of Directors of EuroMed, Inc., acknowledges that Hinnen, Wisteria and Pantapharma will be released from any liabilities and will be fully discharged with respect to their position as managers.

It is agreed that the non-competition clauses of the Management Agreements cannot be enforced against Hinnen, Wisteria and Pantapharma. However, Hinnen, Wisteria and Pantapharma agree that they are not allowed, directly or indirectly, to be active in the field of wholesale of pharmaceutical products in the Netherlands for a period of two years upon signing this agreement.

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- 6.4 Each respective company in the EuroMed-group will pass on the date mentioned in Article 6.1 hereof a shareholders resolution in which the relevant company and/or Pantapharma (i) confirms the resignation of Hinnen and/or Wisteria as board member and/or statutory directors as per the date mentioned in Article 6.1 hereof and (ii) provides a general release of Hinnen, Wisteria and/or Pantapharma from any and all liabilities and fully discharges them with respect to their position as board member and/or statutory directors.
- 6.5 Each respective company in the EuroMed-group further declares that the relevant company will release Hinnen, Wisteria and/or Pantapharma, from any and all liabilities and fully discharges them with respect to any amounts due (in current account, in connection with the Management Agreements, or otherwise) by Hinnen, Wisteria and/or Pantapharma (or Cofa Beheer B.V. or Hybrida B.V. as the case may be) to such company.
- 6.6 Hinnen, Wisteria and Pantapharma declare to release each respective company in the EuroMed-group from any and all liabilities and fully

discharges them with respect to any amounts due (in current account or in connection with the Management Agreements, or otherwise) by the relevant company to Hinnen, Wisteria and/or Pantapharma.

ARTICLE 7 FURTHER COVENANTS

- 7.1 EuroMed Europe B.V. shall transfer legal title of 51% of the shares it presently owns in the share capital of Confedera Philippines Inc. to Hinnen or to a legal entity in accordance with his instructions. In order to implement this transfer of shares, EuroMed Europe B.V. hereby transfers - to the extent possible under the laws of the Philippines - said shares to Hinnen, who accepts, to the extent possible under the laws of the Philippines, this transfer. EuroMed Europe B.V. herewith grants full power of attorney to Hinnen in order to sign every document and to perform any and all acts that may be necessary or useful in order to effectuate the transfer of legal title of the Confedera Philippines Inc. to Hinnen according to the applicable laws of the Philippines.
- 7.2 Confedera B.V. shall transfer ownership of the car presently used by Hinnen (audi 100, with number LH-JF-72) to Hinnen or to a legal entity in accordance with his instructions.
- 7.3 EuroMed, Inc. will furnish evidence of board approval of EuroMed, Inc. to enter into this Settlement Agreement, in the form of a signed copy of the minutes of the relevant board meeting. EuroMed, Inc. will furnish this evidence of board approval to the civil law notary mentioned in Article 1.2 hereof.
- 7.4 Confedera B.V. shall transfer ownership of the personal computer presently used by Hinnen to Hinnen or to a legal entity in accordance with his instructions.

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- 7.5 Hinnen, Wisteria and Panthapharma shall return all documents, keys, assets, and or other items owed by or belonging to EuroMed-group to the relevant company of the EuroMed-group.

ARTICLE 8 CHOICE OF LAWS

- 8.1 The Agreement and the rights and obligations of the parties hereto are governed by and construed and enforced in accordance with the laws of The Netherlands. Any dispute arising under the Agreement shall be exclusively settled by the competent Court of Amsterdam, The Netherlands.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of today 27 November 1997.

/S/ E. Gene Tindell

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EuroMed, Inc.

/S/ E. Gene Tindell

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EuroMed Europe B.V.

/S/ E. Gene Tindell, /S/ A. F. Hinnen

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Mutarestes B.V.

/S/ E. Gene Tindell

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Galenica B.V.

/S/ E. Gene Tindell

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Confedera B.V.

/S/ A. F. Hinnen

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A. F. Hinnen

/S/ A. F. Hinnen

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Pantapharma B.V.

/S/ A. F. Hinnen

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B. V. Wisteria

/S/ E. Gene Tindell

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Pluripharm International B.V.